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The Nation's Business

Support Needed for Home Modernization Campaign

Juggling C. N. R. Deficits and Balance Sheet Holds Pitfalls for Taxpayer

What Did London Teach Mr. McGeer?

Big Job Ahead for Wheat Marketing Board

Home Modernization Needs United Effort

IF THE new government-backed home modernization loans are to achieve maximum success then the whole hearted support of every private agency must be secured. Construction and equipment associations, national manufacturers of house equipment and building materials, contractors, big retail distributors and financial interests—all must be solidly behind the scheme. At the present time it is by no means certain that such full support is forthcoming.

There is general approval of the principle involved in the new policy. There is a huge potential market, rich in employment and purchasing power, to be tapped, by bringing home improvements into the installment-buying class.

At least a million Canadian homes are in urgent need of repair. Very few of them are modern according to present standards. Many of the owners in the course of the next few years could accumulate sufficient funds for renovation, but they lack capital to handle the job immediately. The proposed loans provide this capital at once and spread repayment over the normal period of accumulation.

* * *

IN ENTERING this new field, the government does not seem to have availed itself of the experience of companies which have made a practice of similar financing. Motor cars, refrigerators, radios and even certain permanent home fixtures have been sold on the installment basis for years. But such things have not been financed on anything like the low interest rate announced for the modernization loans. Finance companies claim it will be impractical as well as highly unprofitable to make loans for home improvement on a 3¼% discount basis.

Even the banks, though a party to the present scheme and through which it is proposed to negotiate the bulk of the loans, hold a similar opinion. Investigation, bookkeeping and other service charges, it is claimed, will eat up most of the rate allowed. It may well be necessary in the interests of the scheme itself to allow lenders a low service charge in addition to the interest rates fixed.

Equipment and building supply manufacturers fear, and with justification, that in the cautious and efficient banker they have not the proper ally of their trained sales force. But, under the present set-up, the banker stands between the salesman and the buyer. Some closer connection must be established or a great many prospective sales may be lost and the government not reach its objective of $50 millions in home improvement loans in the reasonably near future.

* * *

Truth About C. N. R. Deficits

INDICATIONS are that the present Federal Government is to continue the policy of its predecessors in lulling taxpayers into a false sense of complacency with regard to the C. N. R. A few days ago, Hon. C. D. Howe, by a misleading understatement of fact, assured the public that C. N. R. deficits are not as large as many would have us believe. He said:

"Last year the railway cost Canada $47.5 millions, this being the government's contribution of cash required to meet all obligations of the railway for that year. The amount is a very large one and quite serious enough to the taxpayers of Canada.

"Unfortunately the books of the railway are kept in such a way that other charges are added which brought the bookkeeping loss up to $115 millions, but I would like to make it clear that the actual cash loss was $47.5 millions and that the larger amount is a bookkeeping fallacy."

True, the immediate cash burden to the taxpayer was only $47.5 millions, but the actual loss was much larger and was shown by the audited statement of the company to be $115 millions. This is no distorted figure or bookkeeping fallacy. It represents the loss to the Canadian taxpayer. If anything it is an understatement of the deficit, for there are many advances and expenditures which have never been charged in the books of the C. N. R.

Mr. Howe's figure of $47.5 millions overlooks the item of $35.9 millions for interest on government advances and also $29 millions for depreciation. Both of these are items which quite properly should be charged in the deficit. The $35.9 millions interest item represents in-

(Continued on page 2, col. 3)

Timmins Heads Chromium Co. As Globe Quits

"Questions of Policy" Blamed for Split in New Corporation

STRENGTHEN STAFF

Important changes in the board of Chromium Mining & Smelting Corp., entailing the departure of A. R. "Sandy" Globe and the strengthening of the Timmins interests, are arousing considerable interest in view of the prominence which this stock has had during the past few months.

Leo H. Timmins succeeds Mr. Globe as president, while N. H. Timmins Jr. appears as director under the new arrangement. The rest of the board remains unchanged, comprising R. O. Denman, Winona; Norman W. Byrne, F. J. Maw, of Hamilton; Ewart Angus, Toronto, and John A. McPhail, Sault Ste. Marie.

McBride Engineer

Coincident with these changes, the corporation announces that Prof. W. G. McBride, of Queen's University, and president of United Gold Equities, has been named consulting engineer. M. J. Udy, metallurgist, who is understood to have evolved the process for treating the ore from Obonga Lake properties, has been placed in charge of smelting operations.

"Sandy" Globe, a well-known mining figure, has been associated with these deposits since 1929, a year after they were discovered by W. Keefe and R. A. Macdonald. Mr. Globe told The Financial Post that the reason for his departure from the board was "difference of opinion over question of policy." That the difference of opinion must have been vital is implied in the fact that Mr. Globe is not even retained as a director. The exact nature of these differences The Post could not learn. Mr. Globe states that he is still a "large" shareholder of the corporation with which his name has been so long identified.

Have Fourth Furnace

In the meantime, the corporation's plant is officially reported to be producing about 10 tons of standard high carbon ferro-chrome and approximately six tons of other chromium alloys daily. Recently a fourth furnace was added to the smelter at Sault Ste. Marie.

Reinhardt Stock May be Reduced

To Cancel Shares No Longer Represented by Assets

Reorganization of the capital structure of Reinhardt Brewery Co. Ltd., by cancellation of capital unrepresented by available assets, is the object of two by-laws on which shareholders will vote this week. Reports that Brewing Corp. of Canada would be represented at the meeting with a view to securing control of the company have been denied by E. P. Taylor, president of Brewing Corp.

Capitalization of Reinhardt's consists of 1,250,000 n.p.v. shares issuable under existing conditions at not more than $1 a share. Official statements issued by the company state, however, that $314,346 of the paid up capital has been lost or is unrepresented by assets, and it is proposed to cancel this amount, without changing the number of issuable shares and without diminishing any liability for unpaid capital.

A second by-law proposes that the authorized 1,250,000 shares still existing after cancellation be consolidated into 250,000 n.p.v. shares issuable at an amount not exceeding $5 a share. There are 885,794 shares outstanding of the existing 1,250,000 authorized. The company has no funded debt.

Sharp Increase In Bank Debits

The rapid rise in bank debits featured the week's business news, the gain for the month being 29% over corresponding figures last year. Improved business volume and higher stock exchange activity are largely responsible.

Hog sales also continued at considerably higher levels.

ONE NOTE IN A $200,000 CALL FOR BUSINESS

Canada is calling Glasgow, Edinburgh, Birmingham, London, Manchester, Belfast and a dozen or more other centres of population in the British Isles, in an effort to stimulate the sale of Canadian food products in these areas.

A total of $200,000 will be spent to increase the sale of Canadian produce under the "Canada Calling Britain Campaign," inaugurated by Canadian trade representatives in the British Isles and financed by an appropriation by the Canadian Government.

Large space advertisements, multicolored posters, streamers, window-displays in old country shops, films and airplanes trailing huge signs with the words, "Canada Calling," and "Buy Canadian Produce," will roar across the skies of England, Scotland and Northern Ireland—all for $200,000.

Above are shown typical posters to be used in the latest effort to make the Old Country Canada-conscious. Some critics of the scheme hold that a poster such as that shown above is not a correct delineation of a Canadian farm. Regional campaigns are under way in a concentrated effort over 4 months. Totals of population to be covered by the campaign aggregate nearly 27 millions, in 17 areas containing 32,850 grocers and provision dealers and 24,350 fruiterers.

Replacing of Elliot Should Help Canada

By GORDON L. SMITH

Canadian agricultural exports to Great Britain may get a more favorable reception as a result of the latest change in the British Cabinet. Rt. Hon. Walter E. Elliot, staunch supporter of the idea that the United Kingdom should grow more of its own food requirements, has stepped up from the department of agriculture to the position of secretary for Scotland. William Shepherd Morrison is the new British agricultural minister.

Treasury Man at Helm

From a source that for many years was in close personal touch with the British Cabinet, The Financial Post learns that the new minister is not likely to turn out as strong a nationalist as his successor. Mr. Morrison while having a good general knowledge of agriculture, has received most of his recent training in the treasury department. Here he was chief assistant to Neville Chamberlain, Chancellor of the Exchequer. In such a position and in constant touch with the present British Chancellor, it is believed a broad grounding in Empire and international trade would be acquired.

Mr. Morrison, it is said, would probably subscribe to the well-known Chamberlain policy of developing the Empire as a closely linked trading unit rather than the Elliot plan of the United Kingdom very much first, the Empire second and what might be left going to the rest of the world.

Walter Elliot is given most of the credit for building up the elaborate system of United Kingdom tariffs, subsidies and quotas which tended to shut out Empire as well as foreign food supplies in order to boost home production. At first the reduction was felt most seriously by non-Empire countries. But Mr. Elliot intimated frankly that the policy would be steadily extended with the benefit of the Old Country producer only in mind.

Mr. Elliot encountered considerable opposition, first from consumers who feared an increase in the cost of living, and later from British-financed enterprises in the Argentine and Danish meat trades. As an official of the British treasury undoubtedly the new minister of agriculture heard British trade restriction blamed for defaults on English-owned Argentine bonds.

May Help Trade Negotiations

But working closely with Chamberlain and probably owing his promotion to cabinet rank to that connection, it is believed Mr. Morrison will certainly favor lesser restriction on Empire and possibly world trade and in any case will prove less adamant than his predecessor in the present negotiations to renew the Ottawa Agreements.

That the recent change will mean complete restoration of the old trade relations with Canada and the rest of the Empire, however, is not expected. It is pointed out to The Financial Post that the United Kingdom regards its own agricultural industry as a line of national defense. The last war found the country very far behind its opponents in the matter of domestic food production, and the plan of keeping the seas open to vital imports was not always completely successful.

A War Precaution

Most European countries, notably Germany and Italy, have taken unusual steps to stimulate domestic agricultural production with the object of making themselves independent so far as possible of foreign supplies in time of war. This objective was also one of the props behind the Elliot scheme and one that in moderation may be expected to be retained. Under the new minister, however, it is not believed that it will be developed to such extremes. The United Kingdom will probably content itself with producing food products for which its soil and climate are especially suited but will depend upon Empire and possibly creditor countries of Great Britain for wheat, bacon, cheese, frozen meats and canned goods and similar supplies, which if necessary, can be held in storage.

Another Fantastic Tale Being Aired in Alberta

From Our Own Correspondent

CALGARY. — Stories whispered around Alberta these days are no less fantastic than the legislation passed. Here is the latest, unconfirmed from any governmental source, probably grossly exaggerated, but possibly with some small core of truth.

A large American oil company has offered, 'tis said, to pay a prodigious price for 99-year monopoly privileges of oil exploration in Alberta.

Terms offered are to spend $30 millions on an extensive drilling campaign over a term of years to really prove up Alberta as a crude producer, to make annual payment to the government equivalent to the interest on the government debt plus a sum equivalent to wipe out the debt by a sinking fund over a term of years. Payment at coupon rates, not at new low rates proclaimed, is contemplated.

The biggest joker in the story to grant a monopoly is the government would have to cancel present rights. No firm with so much money would gamble it on a contract with a government that was willing to cancel contracts to do it.

General Motors Sees 22½% Gain

(By Staff Editor)

OSHAWA.—The huge General Motors plants here and elsewhere in Canada are on their way to a 22½% increase in output during the 1937 season. The company looks for a 20% gain in domestic demand and a gain of from 25 to 30% in export business. Export business now amounts to 35% of the company's total output. Lower prices on leading lines and better dollar value throughout the entire line are behind the company's optimism.

In an advance showing of the new cars this week the company told with pride that despite the expenditure of millions of dollars for new machinery and equipment, its payroll was now larger than at any previous time and that with the return to peak production levels employment would be up 100% over pre-depression days.

The company is greatly elated over the way it has increased Canadian or Empire content (particularly on Chevrolet and Pontiac) to the highest point in its history. Both these cars have now reached an 84% figure on the basis of selling price, which includes administrative, advertising and other allied expenses. They have reached no less than 68% content on the basis of factory cost as laid down in federal government customs regulations.

The company hopes to reach an equally high ratio on Oldsmobile and on its two smaller Buick models.

Foundation Co. Work on Hand $7.5 Millions

Some Contracts Nearly Ended — Two Years Work on Others

SIGNS FAVORABLE

From Our Own Correspondent

MONTREAL.—Steady revival in the building industries finds reflection in the volume of business on the books of Foundation Co. of Canada. At this time the company lists about $7.5 million of contracts, some of which are in the last stages of completion, while others will not be finished for another year or two. This contrasts with $3.5 millions of contracts reported by the company a little more than a year ago.

There are four major contracts in hand. The Dominion post office in Halifax is nearing completion and will be turned over to the government next month. This work has been in process for more than a year and involves a fairly large expenditure.

Maritime Job Nears End

The sub-structure work on piers Nos. 1, 2, 3 and 4 in the Saint John harbor's building programme at West Saint John will not be completed until some time next summer.

In connection with this work, there is the building of the superstructure; a job involving a large sum of money. Contract in this connection has not been awarded, nor is it likely to be placed until after the New Year. Foundation Co. will no doubt bid on this business.

Two Years Work

The largest contract on the books is for the Ontario Paper Co.'s development on the Lower St. Lawrence. The company is general contractor on this job, which covers the laying out of a new townsite, buildings for employees, hospital and other community structures, roads, pulp and paper mill, etc. Plans are to have the newsprint mill in operation by the spring of 1938. In all the Foundation Co. will have about two years work on this contract, on which several millions will be spent.

Another contract being worked on is for the E. B. Eddy Co., at Hull. This covers general improvements and revamping of the pulp mill. This forms part of a general programme of rehabilitation which the Eddy Co. has been carrying out for several years.

Private Building Grows

Further to these major jobs, Foundation has a number of small contracts. While not large, as regards the amount of money or time involved, they are being undertaken by private corporations. Contractors look upon this work with particular interest, as indicating a revival of private building which over the next year or two should run into a substantial figure.

No information is available at this time in regard to prospective earnings for the fiscal year ending April 30 next. Last year Foundation had a net operating profit of $68,401. This was only $10,000 more than in the preceding 12 months, but it is interesting to note that at no time during the depression did the company have an operating loss; an unusual condition for a construction company.

Conservative Bookkeeping

Foundation always has followed the policy of writing off substantial sums for depreciation. After all charges there was a book deficit of $2,017 in the 1936 fiscal year. This was about $7,000 better than reported in 1935, but well under the profits reported in the preceding five years.

Another policy of the management and one which has an important bearing on the income account is not to report profits on a contract until the job is completed. For example, profit on the Halifax post office will appear in this year's accounts, but none will be taken on the Ontario Paper job. The income account may reflect the Saint John harbor job, as that work will be completed within a few months after the year end, but a decision on that point has not been reached.

Adherence to this policy makes it difficult to forecast what earnings are likely to be reported for this year.

Dividend Payment Unlikely

While improved earnings are to be anticipated, there does not appear to be any reason for expecting a resumption of dividends on the common, the only security which the company has outstanding. Dividends were initiated on the present stock in Aug., 1929. Quarterly payments of 25 cents a share were paid regularly thereafter to and including Feb. 14, 1932. In the next quarter the dividend was cut in half and then omitted.

"Wills and Estates" Series Starts in Post Next Week

Do you know . . .

That without a will, your estate is arbitrarily divided by law, on your death?

That the widow's share may be much too small for her needs in relation to shares of your children or other relatives?

That assets may have to be liquidated rapidly and for less return than their potential value?

That there is no such thing as a "model" will?

These and other aspects of the problem of making your will, administration of your estate after death, appointment of executors, succession duties and other matters vitally affecting the welfare of dependents will be discussed in The Financial Post's new series of articles on "Wills and Estates," commencing in next week's issue.

A series of 10 articles, carefully prepared and written in simple, non-technical language will discuss the problems involved in making a will, and providing for administration of an estate.

Home Lending Dominion Wide

Coast-to-coast lending under the home improvement loan agreement between the Federal Government and the chartered banks was begun this week.

As yet, of course, it is too early for reports of lending activity to have seeped through to head offices of the banks from the 3,374 branches where applications may be received.

While "quite a few" loans have been made under the arrangement whereby money is advanced at a discount rate of 3¼% for home repair and renovation purposes, there is said to have been no early flood of applications.

For the most part, the loans have been made to people who were already sold on the idea of making home improvements when the government plan was announced. Selling activity of manufacturers and contractors, on which the banks are depending for the success of the project, has not yet had time to show much tangible result.

Highlights

Motors on Parade

Canadian automotive industry makes new strides in engineering, design and riding comfort for 1937. A survey. Pages 15, 16, 17

River Rampage

Government ponders problem of diverting Grand River, in Ontario, into spring storage reservoir as flood preventive measure and to supply summer needs of 300,000 people. Page 28

Pork Barrel Passing

Ottawa turning gradually from old-fashioned patronage system to award appointments on basis of merit, regardless of party affiliations. Page 10

Long Lac Booming

Ontario's thriving gold camp expects to have four producers by 1937. A review of the area. Pages 24, 25, 26

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Hamilton Bridge Story Denied by Steel Officials

Reports that negotiations are under way for acquisition of Hamilton Bridge Co. by Steel Co. of Canada were denied this week upon investigation by The Financial Post.

The reports have been partly responsible for recent strength in Hamilton Bridge shares, which, however, have also benefitted marketwise from the company's improvement in business this year.

Canada Bud Makes Gain In Earnings

Directors to Consider Dividend Action Within Few Weeks

BOTTLED SALES LEAD

Canada Bud Breweries Ltd. will show further increases in sales and earnings this year owing to the fact that 85% of its products are sold in bottles.

Prospects of increased dividend distribution have materially improved as a result. No information is available on the probable dividend distribution for the second half of 1936, but directors will meet within a few weeks to consider the question.

In Excess of 1935

The Financial Post learns that in the summer months the company has experienced a marked improvement in its business compared with the same period of 1935. Canada Bud writes off depreciation monthly, so that when directors meet to consider dividend action no heavy accumulation of charges will affect their decision. Working capital position will be an influence, however.

Last year Canada Bud reported its third consecutive annual gain in earnings available for dividends. In 1933 the company earned 50 cents a share on its 150,000 common shares outstanding. It paid 45 cents in dividends. Earnings rose to 68 cents a share in 1934; dividends dropped to 15 cents. Last year the company earned 91 cents and paid 35 cents.

In the first six months of 1936 Canada Bud had earnings equal to 32 cents a share, and paid dividends of 40 cents a share.

Payable as Earned

Canada Bud has no definite dividend basis and the policy of the management since 1932 has been to declare semi-annual dividends based on the business of the preceding six months and working capital requirements.

Since inauguration of "freer" beer sales legislation in Ontario, Canada Bud has concentrated on marketing bottled beer, stout and ale. Competition from Quebec breweries has continued but in spite of this and government tax imposts, Canada Bud has reported increasingly better results of operation by concentrating on bottled products.

Working capital of the company at June 30 was $289,663 compared with $303,186 at Dec. 31, 1935. Total assets were $2,166,736. Current assets of $567,501 included $55,000 cash, compared with current liabilities of $277,838.

Can. Vinegars Earns Dividend

New Process Helpful in Meeting Lower Prices

Earnings of Canada Vinegars Ltd. in the year running to Nov. 30 are understood to be above the current annual dividend rate of $1.20 a share.

Keen competition which reduced vinegar prices last year has continued in 1936. Consequently earnings are not expected to show substantial improvement but are believed likely to exceed the $1.22 a share shown in 1935.

Valuable Process

The company's new German process, installed in the last three years, has allowed reduction of costs and has therefore been of substantial value in offsetting lower selling prices for vinegar. Capital outlays totalled about $200,000 in 1934 and 1935, largely due to this installation, and have proved well worth while.

The company is also producing water-purifying equipment which lends some diversification to its activities. This is not believed to be sufficiently important at present, however, to produce marked changes in earnings.

Slump in 1935

Last year the company's statement was a disappointment to shareholders, earnings falling to $1.22 a share from $1.62 in 1934. The annual dividend rate was reduced this year to $1.20 a share from the rate of $1.60 a share which had been earned and paid in the seven preceding years.

Gallonage was about the same in 1935 as in 1934 but lower prices obtained for vinegars accounted for the reduction in earnings.

Bulolo Profit Down Slightly

First of Four New Dredges To Be Ready Next January

An operating profit of $3,208,986 is shown in the report of Bulolo Gold Dredging Co. for the year ended May 31, 1936. This is slightly lower than the corresponding profit in the previous year.

The report is being mailed from Vancouver to shareholders together with a notice calling the annual meeting for Nov. 25.

Annual meeting of Placer Development Ltd., which holds a 30 per cent interest in Bulolo, will be held on the same day.

MEN'S SHOP

"Huntingdon"

$50.00 Made-to-Measure Suit

Presenting in every detail, the cut and fit demanded by gentlemen who are most particular in their dress. "Huntingdon" suits are made exclusively by the Men's Shop, to your individual requirements—from select all wool English suitings. $50.00 the suit.

MEN'S SHOP

BAY STREET SECTION

EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

terest payments on government bonds which were sold in order to make advances to the railway.

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Revamping the C. N. R. Balance Sheet

MR. HOWE has also indicated that some adjustment in the capital structure of the C. N. R. will be made at the next session of Parliament in order to reduce its capital liabilities to an amount which will more nearly approximate its earning power.

As in the past, no doubt, the government will argue that this would be the course that would be pursued by a private company. True enough, but the objective is somewhat different. When a private company reorganizes, fixed charges are reduced to a point where they can be met out of earnings even in poor years. No such result can be accomplished by writing down the capitalization of the C. N. R.

The amount of C. N. R. bonds in the hands of the public has increased to such an extent in the last 10 years that the railway can only hope to meet fixed charges on these bonds in exceptionally good years. Only repudiation of its obligation will relieve the Federal Government of its responsibility to finance the deficits and capital requirements of the C. N. R. Revamping the capital structure will not cut the cost to the Canadian taxpayer one iota.

In the case of a private company there is a powerful incentive for economical operation. With the C. N. R. there is not the same incentive since the loss is borne by the taxpayer. If the memory of past losses is removed, there will be less assurance of economical operation in the future.

Recapitalization will also conceal the real cost of our railway experiment to the taxpayer. The elimination of certain items from the balance sheet of the railway has done this to a certain extent in the past. Without a realization of the real cost and deficit of the C. N. R. the day when the Canadian taxpayer will demand a solution of the problem will only be postponed.

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New Light on Wheat Marketing

IF THE coming Royal Commission on wheat can determine the most satisfactory method of marketing Canada's chief export commodity, it will have performed a most useful service. Smothered by propaganda from all sides and having seen three entirely different systems of marketing in operation in the last five years, the western farmer, as well as the Canadian citizen at large, must be confused with conflicting opinions. The pools have offered one plan, the futures market of the grain exchange another, and the government wheat board with first its stabilization and now its selling policy, have contributed a third system of selling wheat.

These three plans the commission proposes to explore. The job should be done thoroughly and frankly and with no attention paid to creating political capital favorable or otherwise. The commission is expected to make a constructive report on each system of marketing and to either express a preference for one system or a combination.

In this investigation domestic evidence is not enough. Canadian wheat is by no means entirely sold within Canada. It reaches or should reach nearly every food-importing country of the world. What do these international buyers of wheat think of our prospects? What do they think of our recent selling policies? The candid opinion of such authorities would prove most invaluable and should be secured.

• • •

AND in this formulation of a Canadian wheat sales policy the long-term view must not be neglected. During the past eight years we have heard much of overproduction. The world was eating less bread and Canada, it was argued, would face increasing competition as time went on. If there is a permanent trend in this direction, then we should hear about it and shape our agricultural policies accordingly.

It may be necessary to divert present wheat land to other uses or perhaps we can find other uses for wheat. These are points which should not be overlooked. It takes many years and often causes hardship to make agricultural changes, but evading the issue cannot help and may in the long run prove seriously costly.

• • •

Gerry Comes Back from London

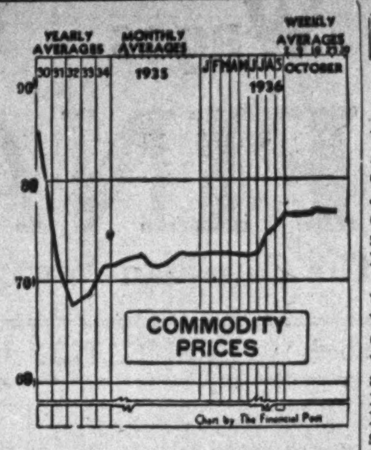
THE natty wing collar and cheery smile of Mayor Gerald McGeer of Vancouver all but captivated a capacity crowd at a Canadian Club luncheon at Toronto this week. Mr. McGeer proved himself a fine orator and made no bones about the deep impression that had been left on his mind by his recent visit to England.

Most of "Gerry's" speech was devoted to an exposition of the wonderful things that Great Britain is doing to increase employment and prosperity. He stressed her protective tariff and cheap money policies and showed how she was now able to subsidize special employment works, finance a huge rearmament programme, provide for substantial social insurance schemes and will shortly embark on a national plan for improving the health of her citizens.

And Mr. McGeer did not hesitate to point out how closely this British programme paralleled his own ideas and how both were based primarily on the monetary principles laid down so clearly in the British MacMillan report.

What Mr. McGeer overlooked was that the tremendous strides Britain had made in the past five years were based primarily on a programme of sound national finance, whereas many of his own plans and policies, though they may have been conceived from reading the MacMillan report are the very antithesis of a programme aiming to promote confidence in the realm of money and finance. In short, one does not necessarily need to be orthodox—Britain was anything but orthodox when she abandoned the gold standard in 1931 — but one must first establish confidence if one is to wander even a short distance from the straight and narrow path in monetary affairs.

In so far as Mr. McGeer was able to establish a feeling of confidence among his new-found British financial friends he has done himself and the constituency he represents a good turn. If he thinks he can build a new heaven and new earth without first establishing and maintaining confidence, he is sadly mistaken.



PRICES UNCHANGED

Wholesale commodity prices were unchanged in the week ended Oct. 30 at 76.8% of their 1926 average, according to the index compiled by the Dominion Bureau of Statistics.

	Latest week	Previous week	Same week last yr.
Cattle	$6.00	$5.75	$6.15
Hogs	6.25	6.50	8.75
Copper, lb.	.10	.09¾	.09¼
Cotton, lb.	.1208	.1213	.1135
Rubber, lb.	.1707	.1650	.1313
Sugar, raw, lb.	.0335	.0335	.0360
Silk, lb.	1.90	1.86	2.18
Wheat (Man.) bus.	1.07¾	1.10½	.85
Coffee, lb.	.06⅝	.06¼	.06¾
Hides	.11½	.11½	.12
Weekly Indices			
N. Y. Annalist	127.3	126.8	128.4
Fishers'	84.5	84.0	85.0
N. Y. Journal of Comm.	81.4	80.9	80.3
Crumps (Brit.)	73.1	73.0	68.5
U. S. Labor	81.2	81.2	80.7
Canada (D.B.S.)	76.8	77.1	72.9

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Sept.)	81.9	81.0	79.6
W'sale (Sept.)	76.4	76.2	72.4
U. S. Labor (Aug.)	81.6	80.5	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees contrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

Federal Control of Buses Coming

From Our Own Correspondent

OTTAWA. — Several significant developments in the field of transportation are heralded in the Montreal address of Hon. C. D. Howe the Minister of Transport.

The regulation of interprovincial bus and truck lines, Harbor Commission rates, passenger, mail, express and freight rates on aviation lines across Canada and between provinces, as well as railway and water rates, is to be brought within the purview of an enlarged Transportation Commission, of which the present Board of Railway Commissioners is to be the nucleus. The Dominion board will not have jurisdiction over transportation entirely within a province, it is believed.

Dividends Declared

	This payment	Date payable	Date of record
Anglo-Huronian	20c	Dec. 1	Nov. 19
Buff. Ankerite	5c	Nov. 15	Nov. 1
Bk. of Commerce	$2	Dec. 1	Oct. 31
Bk. of Montreal	$2	Dec. 1	Oct. 31
Bk of Toronto	$2.50	Dec. 1	Nov. 14
Belding Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Borden Co., c.	40c	Dec. 1	Nov. 14
Can. Wire & Cable pfd.	*2.75	Dec. 23	Dec. 1
Canadian Oil, c.	12½c	Nov. 16	Nov. 1
Cosmos Imp.	20c	Nov. 14	Oct. 30
Do., pref.	$1.25	Jan. 15	Dec. 31
Can. Converters	50c	Nov. 16	Oct. 31
Confed. Life	$1	Dec. 31	Dec. 25
Dom. Bridge	30c	Nov. 14	Oct. 31
Gurd. Chas. pfd.	$1.75	Nov. 15	Nov. 1
Int. Nickel, c.	40c	Dec. 31	Dec. 1
Italo-Argent. El. warr.	▪3.50 pesos		Nov. 10
Kelvinator, pfd.	$1.75	Nov. 16	Nov. 5
Kirkland Lake	3c	Dec. 1	Nov. 12
Lake of Woods, pf.	$1.75	Dec. 1	Nov. 14
Do., arrears	$14	Dec. 1	Nov. 14
Loblaw Groc., A & B	25c	Dec. 1	Nov. 12
McColl-Fron., c.	20c	Dec. 15	Nov. 14
McKinley Mines	2½c	Dec. 1	Nov. 19
McIntyre Porc.	50c	Dec. 1	Nov. 2
National Biscuit	40c	Dec. 15	Nov. 13
Do., pref.	$1.75	Nov. 30	Nov. 13
Nor. Can. Mining	2c	Dec. 1	Nov. 20
Ont. Steel, pf.	$1.75	Nov. 16	Oct. 31
Do., arrears	$2	Dec. 16	Oct. 31
Royalite Oil	50c	Dec. 1	Nov. 13
Do., extra	25c	Dec. 1	Nov. 13
Quebec Power	25c	Nov. 16	Oct. 27
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 14
Royal Bank	$2	Dec. 1	Oct. 31
Stand. Steel, pf.	75c	Nov. 16	Oct. 30
Do. on arrears	75c	Nov. 16	Oct. 30
Shawinigan W.	15c	Nov. 16	Oct. 29
South. Can. Pwr., c.	20c	Nov. 16	Oct. 31
Sylvanite Gold	5c	Dec. 31	Nov. 16
United Corp., A	$1	Nov. 16	Oct. 31
Tamblyn, c.	†20c	Jan. 1, '37	.....
Toburn Gold	2c	Nov. 21	Oct. 21
Tor. Elevators, c.	$1	Nov. 25	Nov. 10
Ventures	2½c	Jan. 2	Dec. 15

†Initial. *On arrears. ▪Less 5% Argentine tax.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Dom. Tar, A, B.	6%	1949	Nov. 16	103
Simpson's, A	6%	1949	Nov. 20	104
Do., B	5½%	1949	Nov. 20	104
Riordon Pulp	‡6%	1942	Dec. 31	105
H. Walker	†4½%	1945	Dec. 1	104
H. Smith Pap.	5½%	1953	Dec. 1	104
Mississippi River	5%	1951	Jan. 1	105
Avon River, A	5½%	1956	Jan. 1	103
Do., B	5½%	1957	Jan. 1	103
Do., C	5½%	1958	Jan. 1	103
Can. Bread	6%	1941	Feb. 1	110

For sinking fund: ‡$81,000.
†Partial redemption.

Stock Issues:	Rate	Stock	Date	Price
Stanfields	6%	Pref.	Dec. 15	42

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.30	4.60
Can. Invest. Fund, ex-div.	4.60	4.90
Grouped Income	6.66	7.30
Can. Equity	13.50	...
All Can. Com., ex-div.	13.75	14.50
Trans. Canada	14.35	...
Can. Int. Trust, modified	5.50	6.00
Do., unmodified	5.00	5.50

Company Earnings

United Grain

Last year's small crop of grain in Western Canada is reflected in the annual report of United Grain Growers Ltd., for the year ended July 31. Net earnings showed a decline of almost $175,000, and as a result net profit of over $100,000 in 1935 was changed into a small loss.

The balance sheet shows practically no change in working capital which stood at $1.7 million at the end of the year. Grain inventory was down to almost $1.7 million as against almost twice this amount in 1935, ample evidence of the small 1935 yield. The only bank liability shown was for an amount just under $65,000.

The company is largely a farmer-owned concern with 30,000 shareholders.

Cons. Income and Surplus Account
Years Ended July 31

	1936 $	1935 $
Net earnings	681,690	854,326
Less: Deprec.	451,438	464,606
Bond & mtge. int.†	178,091	190,867
Prop'n. bond disct. & exp. w/o	28,363	19,548
Directors' fees	9,327	7,223
Income tax	7,500	39,526
Legal & exec. fees	24,800	21,650
Net profit	▲15,829	110,906
Less divds.	95,518	127,161
Surplus for year	▲111,347	▲16,255
Add: Prev. surplus	547,447	528,198
Profit from red. of co's. bonds	12,732	38,606
Less: Inc. tax adjust.	......	3,102
Balance forward	448,832	547,447

▲Deficit. †Including bond discount and expenses in 1933.

MacKinnon Steel

MacKinnon Steel Corp.'s financial statement for the year ended July 31, 1936, shows a moderate decline in the operating loss, while the deficit for the year, after all charges, was $6,841, compared with $6,313 in the previous year. The tonnage handled by the company last year was 23½% greater than in 1935, but sales prices were 7% less. Unfilled orders at the end of the year were higher than at the corresponding date of last year, indicating more promising outlook for the current period.

The only change of interest in the balance sheet is a reduction in cash on hand and on call loan from $123,991 to $28,433, and an increase in Dominion and Canadian municipal bonds from $39,950 to $100,850.

Income and Surplus Account
Years Ended July 31

	1936 $	1935 $
Operating loss	2,563	5,018
Investment income	5,466	5,916
Profit on bond sale	....	2,125
Trans. from reserve	10,000	10,000
Net revenue	12,903	13,023
Less: Depreciation	10,000	10,000
Directors' fees	875	825
Exec. salaries	8,380	8,380
Bank interest	489	131
Loss for year	6,841	6,313
Previous balance	*4,785	1,528
Deficit forward	11,626	4,785

*Deficit.

Working Capital Position		
Current assets	217,844	219,004
Current liabilities	9,627	13,758
Working capital	208,217	205,246

Laura Secord

With sales up $40,991 to $1,611,868, Laura Secord Candy Shops reports net profit of $4 a share on its common stock for the year ended Sept. 30 last, compared with $3.95 a share in the previous year. While operating earnings were $13,626 higher, net profit showed an improvement of only $3,320, income from investments and profit from the sale of investments both being lower.

No profits of the company's subsidiary, Mary Louise Candies Ltd., formerly Candyteria Ltd., which operates 10 shops, are included in the company's statement.

Improvement is also shown in the company's strong liquid position, working capital increasing by $72,151 to $1,848,512. Cash is shown at $140,755, government bonds at $1,624,784 and inventories at $134,153. Government bonds are shown at less than market value, which is $1,829,000.

Fixed assets, after deducting a depreciation reserve of $510,359 are shown at $239,044.

Income Account
Years Ended Sept. 30

	1936 $	1935 $
Operating profit	272,113	258,487
Add: Inc. from invests.	60,522	64,083
Profit from sale of invests. & assets	23,321	39,417
Less: Prov. for deprec.	24,430	28,334
Executive salaries	52,130	50,290
Legal fees	166	306
Prov. for inc. taxes	49,000	43,723
Trans. to invest. res.	......	12,474
Net profit	230,180	226,860
Less appropriations: Common dividends	172,500	172,500
Surplus for year	57,630	54,360
Add: Previous surplus	1,144,953	1,090,594
Reserves writ. back	......	......
Bal. carried forward	1,202,634	1,144,954

Working Capital
As at Sept. 30

	1936 $	1935 $
Current assets	1,899,693	1,820,914
Current liabilities	51,181	44,533
Working capital	1,848,512	1,776,361

Guelph Carpet Reduces Preferred by $500,000

Guelph Carpet & Worsted Spinning Mills Ltd. has reduced its authorized preferred share capital from $2.5 millions to $2 millions.

This has been effected by redemption and cancellation of some $500,000 of the original issue of $1 million of 6½ preferred stock.

Declaration of a dividend of $1 a share on the common stock is an increase from the annual payments of 75 cents a share in 1934 and 1935.

Common dividends were paid at $1 a share in 1930 and 1931. In 1932, the payment was 25 cents a share and in 1933, 50 cents a share.

Earnings for the year ended Sept. 30, 1935, were equivalent to 92 cents a share on the common, and are believed to have improved this year, as reflected by the $1 declaration.

FEATURES
in the November issue

THE CANADIAN CHARTERED ACCOUNTANT

Discussion on Financial Statements of Companies
The Balance Sheet and the Layman
Double Entry Thinking Needed
Development of Canadian Banking
Canada's International Accounts
Australia Attaining Uniform Company Law

Published monthly, $2.00 per annum. Subscription open to all interested in accounting discussions. Send subscriptions to The Editor, 10 Adelaide Street East, Toronto.

NOTICE

IN THE MATTER OF an enquiry into the financial affairs of the City of Calgary.

Notice is hereby given to all parties holding City of Calgary debentures, or other securities, that the Council of the said City of Calgary has made application to the Board of Public Utility Commissioners of Alberta, for the holding of an inquiry into the financial affairs of the City of Calgary in accordance with the provisions of Part IV of The Public Utilities Act of the Province of Alberta.

And notice is further given that the said Board has fixed MONDAY, the 16th day of NOVEMBER, 1936, commencing at 10.00 o'clock in the forenoon, in the Court House, City of Calgary, as the time and place for the opening of such enquiry.

All communications regarding such enquiry are to be addressed to the undersigned,

G. A. THIBAULT,
Secretary, Board of Public Utility Commissioners of Alberta,
Administration Building, Edmonton, Alberta.

Foreign Exchange

Last week saw no important change in movements of leading currencies. Sterling was unchanged in terms of the dollar. French and Swiss francs continue about midway between the limits set at the time of devaluation. Only the guilder, which has strengthened materially in recent weeks, showed any appreciable trend.

Volume of trading is still very small, awaiting some more definite realignment of rates. Of major importance is the dollar-franc-pound relationship, and as yet there is no indication of fixed parities being established.

The French situation is still uncertain. Authorities are of the opinion that were it not for the extraordinary powers of the three stabilization funds working in close co-operation, the franc would be under renewed pressure. Political and industrial developments in France are not reassuring.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Oct. 27	Oct. 28	Oct. 29	Oct. 30	Oct. 31	Nov. 2
U. S. dollar, High	1.00	1.00	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]
Low	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]
1935 High	1.01[illegible]	1.01[illegible]	1.01[illegible]	1.01[illegible]	1.01¼	1.01[illegible]
Low	1.01[illegible]	1.01[illegible]	1.01	1.01[illegible]	1.01[illegible]	1.01[illegible]
U. K. pound	4.89	4.89	4.89	4.89	4.89	4.89
Argentina	.2785	.2790	.2789	.2783	.2788	.2786
Australia	3.9052	3.9047	3.9000	3.9007	3.9013	3.9017
Austria	.1873½	.1873	.1874	.1873½	.1873½	.1872
Belgium	.1684	.1684¼	.1686½	.1688½	.1688½	.1687½
Brazil	.0589½	.0589½	.0589½	.0590	.0594	.0594
Czechoslovakia	.0354	.0354	.0354	.0354	.0354	.0354
Denmark	.2184	.2184	.2183	.2183	.2182	.2182
France	.0465	.0465¼	.0465	.0465	.0465½	.0465
Germany	.4021	.4022	.4021	.4021	.4021	.4021
Greece	.0089¾	.0089¾	.0089¾	.0090	.0089½	.0089¾
Holland	.5400	.5409	.5412	.5414	.5413	.5410
Hungary	.1979	.1979	.1979	.1979	.1979	.1979
India	.3724	.3728	.3725	.3724	.3723	.3722
Italy	.0526¼	.0526½	.0526¼	.0526¼	.0526½	.0526¼
Japan	.2858	.2860	.2860	.2859	.2859	.2858½
Jugoslavia	.0233	.0233	.0233	.0230	.0230	.0230
New Zealand	3.9363	3.9331	3.9344	3.9321	3.9326	3.9331
Norway	.2458	.2458	.2457	.2457	.2456	.2456
South Africa	4.8367	4.8632	4.8640	4.8612	4.8619	4.8625
Sweden	.2522	.2522	.2521	.2521	.2520	.2520
Switzerland	.2298	.2298	.2298	.2298	.2298	.2298
Hong Kong	.3043	.3047	.3049	.3048	.3048	.3048

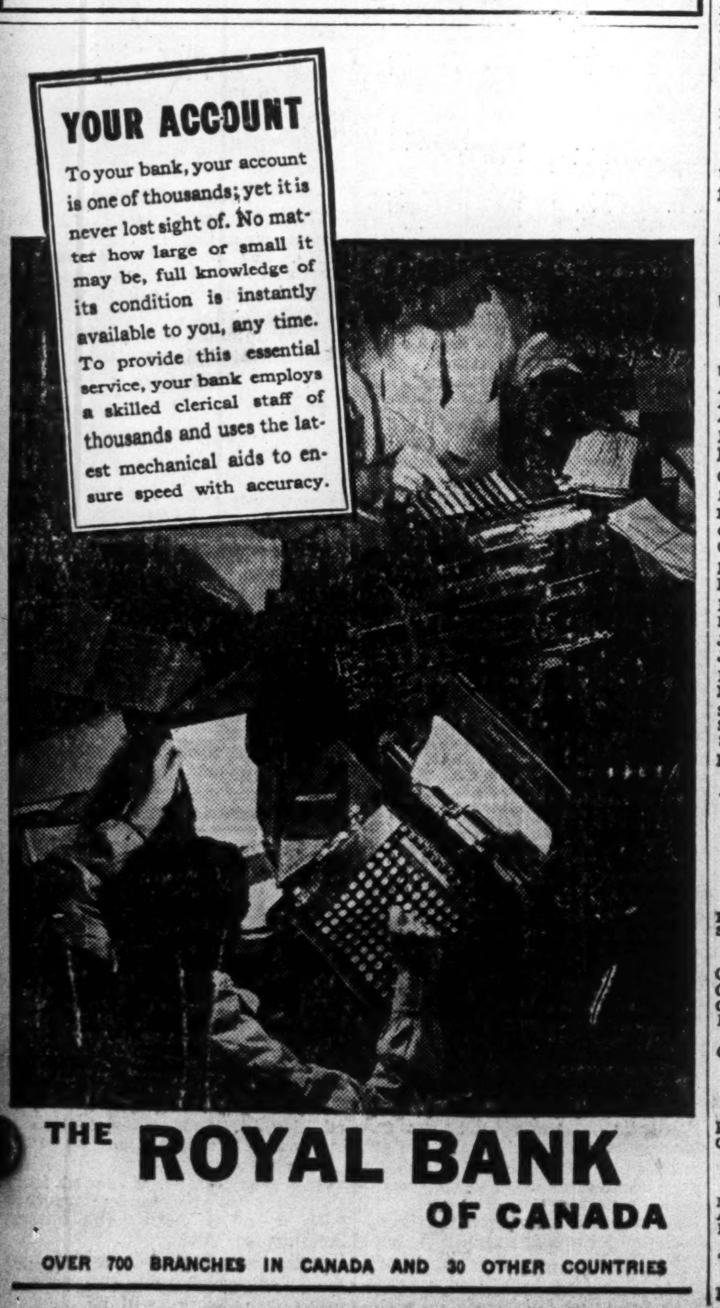
Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Kamloops, B.C.	Oct.	Locally	4%	15-yr.	$15,400	98.50	.....
St. Germain of Outremont, Parish of	Oct.	Comptoir Nationale de Placements	3½%	1951-55	460,000	100.00	.....
				1956		99.75	.....
Carleton County, Ont.	Oct.	R. A. Daly & Co.	4%	1937-46	31,000	102.89	3.43%
Cornwall, Ont.	Oct.	A. E. Ames & Co.	4%	1937-46	14,274	103.86	.....
Granby, Que.	Oct.	L. G. Beaubien & Co.	3½%	25-yr.	25,000	96.87	3.62%
Port Colborne	Oct.	Locally	5 & 6%	Ser.	15,000	...	4½%
Dominion—							
Canada Treasury Bills	Nov.		...	Feb. 1937	30,000,000	99.81	0.73%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Port Royal Pulp & Paper	Oct.	Eastern Securities	5%	1937-41	$350,000	101	.....
Canada Paper	Nov.	Wood, Gundy & Co.	3%	1938-45	500,000	.....	.....
			3½%		500,000	.....	.....
Maritime Electric Co.	Nov.	Royal Securities	4¼%	1952	700,000	101	4.16%
Alphonse Raymond	Nov.	Bruno Jeannotte	4½%	1956	900,000	100	4½%
Les Freres de l'Instruction Chretienne	Oct.	Lucien Cote, Inc.	5½%	1950	250,000	100	5½%
"Le Parthenon" Sherbrooke	Oct.	Lucien Cote, Inc.	3½%	1937-43	112,500	...	.....
			4%	1933-46	50,000	100	4%
Stock Issues—							
Eastern Canada Air Lines	Nov.	Loughlin & McKenzie	...	Pref.	100,000	12.50	.....



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EXECUTORS TRUSTEES FINANCIAL AGENTS

Radio Survey First Move of New Heads

Some of Stations Will Get New Power as Result

TO MOVE SLOWLY

From Our Own Correspondent

OTTAWA.—Beginning this week, Canadian radio has launched out on a new path. The Canadian Broadcasting Corporation with its board of nine governors, its general manager and assistant, has now replaced the commission of three.

What this will mean to the Canadian listener is outlined in the following tentative programme of the new organization:

Start With Survey

1. A technical survey of Canadian radio reception. This is to begin at once, based upon reports already in the possession of the corporation. It will cover such points as the adequacy of coverage in any centre by Canadian stations and by outside stations. The character of the signal reception in urban parts of Canada and those in the north will also be charted. This survey, expected to take two months to complete, will provide a basis for extension of present coverage by increased output, and for the installation of new stations.

2. A scientific appraisal of the acceptibility of the present programmes, Canadian, American and from other sources. An attempt will be made to find out what the Canadian listener wants and what time of day he wants it. Also what he doesn't want. The corporation starts off on the theory that you can't please all the people all the time, but that you can please some of the people in some of their moods.

To Extend Schedule

3. An extension of present Canadian Broadcasting Corporation daily broadcasts. Recently the number of hours per day was raised from 4½ to 6 hours, with slightly more on Sundays. One of the first aims of the new corporation is to extend this daily service, so that during the daytime Canadian listeners will not be dependent on U. S. stations, on privately-sponsored programmes, or unable to tune in on broadcasts at all. This extension will, of course, cost money, and the problem of finding the money is involved in the change.

This extension of time will probably require the writing of a new contract with the telephone and telegraph companies.

4. When the technical survey of present coverage is available, plans will go forward for the increase in power of several stations and the erection of new ones. The corporation already has in its possession data on several new stations, prepared by the Canadian Radio Commission. These were not proceeded with before because no funds were available. But the corporation has the power to borrow from the federal treasury for the erection of new stations. The ultimate object of the corporation is to provide broadcasting which can be tuned in by any modern receiver in any part of the Dominion, day and evening.

While the principle of nationalization of Canadian radio has been endorsed by parliament, the new corporation is faced with the fact that as yet radio broadcasting facilities in Canada are mainly privately-owned. Of 78 broadcasting stations in Canada, long and short wave, only eight at present are owned by the Canadian Broadcasting Corporation.

Out to Woo Stations

The new Ottawa body is acutely aware this state of affairs must inevitably continue for a long time; and that Canadian listeners must continue to rely very largely on private enterprise for its entertainment and instruction over the ether. Indeed, it is doubtful if private stations will ever be completely superseded.

For this reason every effort will be made, The Financial Post is told, to win the confidence and co-operation of existing private stations. They will be assured of security of operations and freedom from undue interference—so far as these are compatible with the government's extension programme—during the period of several years which must elapse before the broadcasting facilities of Canada are dominated by the corporation.

The Act creating the new body does, of course, empower the corporation to exercise control over private broadcasting stations, supervise programmes and advertising, and expropriate stations if necessary.

Wants "Local Color"

Present commission programmes are to be enriched and varied in accordance with the poll of public opinion which is to be conducted. Gladstone Murray, general manager, is contemplating greater effort in dramatizing and otherwise presenting the "local color" and racial tradition of Canada. French-Canadian lore, Icelandic culture, Ukrainian music, Finnish and Norwegian contributions—to name only a few of the sources—are to be encouraged. While the lack of money has handicapped Canadian programmes in the past, Major Murray believes that resourcefulness and ingenuity will discover much fascinating programme material in Canada which can be put on the air without heavy expenditure.

Providing there is a popular demand for it, symphony music and the drama will be given more attention.

Canadian authors, dramatists, musicians, and other craftsmen, will be invited by the new corporation to submit ideas, scripts, and manuscripts. There will be no "Closed Door" to talent sources of any kind, it was indicated.

Distinctive Canadian broadcasts like the "Northern Messenger" will be fostered, and advertised outside the country, it is expected. Major Murray believes that Canada's attractions as a tourist and travel country will gradually become known all over the world if short-wave listeners in other countries can be intrigued by some superior programmes to form the habit of listening to Canada.

The Board of Governors will not make a habit of meeting exclusively in Ottawa, it is learned. The chairman, L. W. Brockington, hopes that the people of Canada will come to regard it as their own institution in a real and vivid sense, and for that purpose the board will meet sometimes in the west, sometimes in the east, sometimes in the Maritimes. There will be some minor inconvenience in this practise since the head office of the corporation is at Ottawa, but the view is that the advantages outweigh any losses.

The need of increased revenue will be met to some small extent by the rising number of licensed receiving sets. At the end of the last fiscal year (March 31, 1936) the Department of Marine reported 862,109 licensed sets in Canada, at $2 per license. This compared with a vote of $1,500,000 made by parliament to the commission. Allowing for the cost of collection, not quite all the revenue obtaned from listeners was passed along to the commission.

In three years the number of licensed listeners has gained by 263,751. The gain in 1935-36 was 49,774. A considerable gain is indicated in preliminary figures again for the fiscal year 1936-37.

It has been suggested from time to time that the $2 annual tax be repealed and a tax on tubes or other radio equipment substituted. This is being studied by the new corporation, and a recommendation will be made to the government.

Wire Charges $451,406

In the past fiscal year over one-quarter of the entire revenue from all sources was needed to meet the cost of leasing wire lines,—$451,406 compared with gross revenue of $1,702,965.45. In addition the cost of leased time was $229,280. These two items considerably exceeded the entire cost of programmes in 1935-36, which was $502,384.59.

The proposal to extend the daily broadcasting time from six hours per day to eight or more will involve a considerable increase in the station network costs.

The first increase of station power under the corporation will be the raising of the power of Vancouver's station CRCV from 1,000 watts to 5,000. The new transmitter is being installed now, and it is hoped to begin broadcasting with the higher power about the middle of January.

Eight Commission Stations

The stations at present owned by the corporation are as follows:

CRCV Vancouver, at present 1,000 watts.

CRCT Toronto (Bowmanville), 5,000 watts.

CRCX Toronto (Bowmanville), short-wave, 1,000 watts.

CRCW Windsor, 1,000 watts day—500 watts night.

CRCO Ottawa, 1,000 watts.
CRCM Montreal, 5,000 watts.
CRCK Quebec City, 1,000 watts.
CRCS Chicoutimi, 100 watts.

This is the equipment taken over by the new corporation. In contrast there are now 70 private stations in Canada, 10 in the Maritime, 8 in Canada, 10 in the Maritimes, 8 in western provinces.

Saskatchewan Prairies Lose 7.8% of Population Since 1931

That the great "Prairie" area of Saskatchewan lost 7.8% of its population in the five-year period of 1931-36 is disclosed by a special study of the census returns by the Moose Jaw Board of Trade. In the same period the other main division of the province, namely, the "Park" area, shows an increase in population of 10.8%.

Commenting on this important shift in population the board says:

"The prairie division has, during the last seven years, passed through a series of dry years which has seriously diminished the yield from the staple industry of wheat growing, whereas in the park district very little, if any, drought has been experienced and, as a consequence, a considerable number of the prairie population has migrated to the north or park area or to other provinces. This condition is clearly reflected in the census returns for those two areas. Of the 11 constituencies allocated to the southern prairie area, only one shows an increase in population and 10 show a decrease. On the other hand, in the north or park area, out of 10 constituencies, eight show an increase in population and two a decrease.

"The results may be summarized as follows:

District:	Population 1936	Population 1931	Increase or Decrease
Prairie	447,887	486,094	—7.8%
Park	483,090	435,691	+10.8%
Saskatchewan	930,977	921,785	+1.0%

B. C. Coal Output

British Columbia's coal production in August was 103,457 tons against 82,434 tons in August, 1935.

Detroit Tunnel Held Insolvent

Court Refers Petition to Michigan Utilities Commission

Detroit & Canada Tunnel Co. has been declared insolvent by Judge A. J. Tuttle in U. S. District Court at Detroit, on petition of bondholders. The plan of reorganization for the company was referred by the court to the Michigan Public Utilities Commission. Application to court for approval of the reorganization is to be heard again Nov. 9.

There were some objections to the plan from holders of common shares which will be wiped out by the plan proposed on behalf of bondholders. The judge, however, in passing over the objections, stated that the tunnel was "a bad scheme from the start," and purchasers of shares "just a lot of suckers."

The reorganization plan is to give bondholders $300 of new 5% bonds and 12 common shares for $1,000 of the present first mortgage bonds. For each $1,000 of 6½% debentures, holders would receive three common shares. Unsecured creditors would receive three common shares for each $1,000 of claims proved. The 2,251,125 old common shares would be wiped out.

Comptoir Nationale Buys St. Germain Church Bonds

From Our Own Correspondent

MONTREAL.—Comptoir Nationale de Placements Ltée. has been awarded a $460,000 issue of 3½% serial bonds of the Trustees for the Church of St. Germain (Outremont, P.Q.) due April 1 1937-1956. These bonds are a legal investment in the province of Quebec for trust funds and a public offering will be made shortly.

Now A DODGE IN THE LOWEST PRICE FIELD

Dodge Custom Six, Four-Door Touring Sedan, Illustrated

DODGE SHOWING 3 NEW 1937 CARS!

ONE The new Dodge Six which is making a sensational challenge to the lowest price field. All who have seen and ridden in this phenomenal automobile agree that it sets a brand new VALUE standard among lowest priced cars!

TWO The Dodge De Luxe Six. Luxurious companion car to the Dodge Six. Everything has been added to this car to raise comfort and exquisite appointments to a degree never before reached in low priced automobiles!

THREE The Dodge Custom Six. Priced just a few dollars more than the lowest priced cars. Roomier, more powerful . . . the most beautiful and most luxurious Dodge ever built. Leader of the Dodge Line!

New Styling and Comfort

All these Dodge models are exquisitely styled from bumper to bumper . . . interiors are bigger and roomier than ever. All these models give you new improved "chair-height" seats! . . . new improved weight distribution! . . . longer, softer springs . . . low, level floors in rear compartments! . . . new aeroplane-type hydraulic shock absorbers! . . . and to top all these, and to give you the quietest ride you have ever known, the new Dodge safety all-steel bodies are securely mounted on cushions of rubber that absorb road noises and banish them from the body!

New Dodge Safety

The new Dodge cars give you interiors that provide an entirely new kind of safety! . . . instrument panel controls are set flush with the surface—all objectionable protruding knobs done away with . . . door handles are smoothed and rounded . . . the tops of the front seat backs in sedans are heavily tufted for the protection of rear seat passengers! . . . and for even greater security these brilliant new Dodge cars all have new, sturdier all-steel bodies with seamless all-steel tops . . . steel-welded-to-steel guards you above, below and on all sides—as you ride!

Amazing Dodge Economy

The big, rugged Dodge L-head engines, which owners report are giving 21 to 27 miles to a gallon of gas and saving up to 20% on oil, have been further improved to again reduce oil costs and lengthen the life of these amazing new Dodge cars!

This is by no means the whole story of the countless extra-value features which all of the 1937 Dodge cars give you at no extra cost.

Drive a Dodge TODAY

Go to your Dodge-DeSoto dealer today . . . See and DRIVE one of these new Dodge cars . . . See for yourself their new "Windstream" beauty . . . Discover their restful new riding comforts . . . Ask for the complete story about Dodge Safety . . . And above all investigate this amazing reputation for record-smashing economy—then you, too, will want to switch to one of the New 1937 Money-Saving Dodge Cars.

SWITCH TO A DODGE AND SAVE MONEY

Dodge *Custom* Six

Dodge *De Luxe* Six

Dodge Six

Investment Trends

Stock Prices Strong On Economic Basis

Markets Show Little Regard For Political Disturbances—Higher Quality Stocks Favorites With Brokers—Public Awakens to Base Metals

Action of stock markets this year has shown remarkably little regard for political unrest in the United States and abroad or for credit disturbances in Canada. The implication is that business is getting better and dividends increasing and that political influences cannot halt the economic trend.

Although there has been a slight rise in rates on prime government securities in Canada, meaning a minor decline in prices, there is no indication of a real tightening of money rates. The change here is probably largely due to recent currency adjustments.

British investors are not interested greatly in Canadian bonds, and large American investors are cool to such securities because yields are not sufficiently attractive. The low level of interest rates is one of the best supports of security markets, and if outside coolness developed into a desire to sell bonds here it would weaken the Canadian dollar and bond prices. The effect would be adverse for Canadian stock markets. Barring such an event, bank credit conditions are such as to suggest that high prices for securities can be maintained.

Re-election of Mr. Roosevelt must be regarded as inflationary.

Good Performance

IN VIEW of the influences of the U. S. election and European "scare" reports, the recent strength of share prices must be regarded as a good performance. It is to be hoped that it is not foolhardy.

Renewal of the recent advance would be expected to carry market averages upward temporarily about 7%. If realized, this would mean new highs above 90 and 160 respectively for the Montreal and Toronto exchange averages.

The wide scope that still remains for business expansion is ground for expectation that share prices can rise to substantially higher levels in the next two or three years. Occasional setbacks, however, are inevitable and these may develop from uncertainty over American government policies in the next few months.

The substantial foundation for the advances of the past three years is demonstrated by a rise from about 63 in 1933 to 111.3 at present in Nesbitt, Thomson & Co.'s index of dividend payments. This agrees with The Financial Post's compilations which show an increase of 65% in dividend payments in 1936 over 1933.

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Metals Strong

RISING prices for copper and firmness in lead and zinc are largely responsible for strength in shares of base metal producers. Readers will recall the repeated suggestion in The Financial Post that the cream is off the market for older-established gold shares and that the most promising field for mining shares is in base metals. It is noteworthy that the Toronto Stock Exchange average for miscellaneous metal shares has been making new high records for this year, while the average for golds is well below the peak. It has also been pointed out in The Post that American investment trusts have been tending to switch out of golds on which they have made large profits and into base metal shares such as Nickel, Noranda, Hudson Bay, and Consolidated Mining & Smelting.

Proportionately to market prices, the greatest advances have been shown recently by such junior base metal shares as Sherritt-Gordon, Waite-Amulet, Sudbury Basin, Coast Copper, and the like. The indication is that the public is picking up the trend followed first by professional investors.

While it seems likely that the greatest period of expansion of profits for older gold mines has already been seen, British investment commentators still favor retention of such holdings. Another feature of the gold situation is that development of new mines is much less risky with gold at $35 than it was at the price of $20.67 an ounce. The suggestion is, therefore, that older mines can continue to make substantial profits but don't offer their former possible gains and that speculation in shares of younger properties may continue for some time.

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Merrier Yuletide

MERCHANDISING securities have been consistently strong, indicating expectations that this Christmas will be a really merry one.

There are good grounds for this optimism for the big shopping season. On the whole, rural income shows an increase this year. There have been increased incomes and large capital profits from mining shares. And a number of industrial corporations have been restoring higher wage scales as well as increasing dividends. All this should be reflected in better Yuletide business. This should make for improved showings by firms like Simpsons and the chain stores.

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Brokers' Views

IN A repetition of a former request to 10 Montreal and Toronto stockbrokers to specify what they regarded as the 13 most attractive shares, F. O'Hearn & Co., Toronto, obtained the following results:

Preferences in Common Stocks	
Dominion Bridge, Brazilian Traction, Montreal Power	5
Imperial Oil, Shawinigan, Fraser Cos.	4
Steel Company of Canada	3
B. A. Oil, F. N. Burt, Building Products, Canada Malting, Consolidated Bakeries, Price Bros.	2
Asbestos Corp., Dominion Textile, Fanny Farmer, Foundation Co., Gypsum Lime, Imperial Tobacco, International Petroleum, Page-Hersey, Hiram Walker	1

Apparently the popularity of the various securities with stockbrokers fluctuates with changes in market activity. In many cases, of course, this simply means that brokers follow the improved outlook for some companies as reflected in market trading. With comparatively few exceptions, it is noteworthy that the nominations go mostly to companies whose records of earnings and dividends have been satisfactory for shareholders.

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Splits an Eventuality

PRONOUNCED rise of Laura Secord common shares last week was based on expectations that a split in the stock is coming. It is not due at present but is an eventual possibility. The more important point is that the stock market action illustrates what may happen in other higher-priced shares provided business recovery continues to bolster prices.

It will be recalled that stock splits were highly popular in the days of booming markets before the Great Depression. Usually they had the effect of increasing the relative value of stocks. While subdivision of shares to boost market values is not necessarily praiseworthy, there is a definite benefit to the investor in increasing the volume of shares available for trading. It tends to improve marketability. If the upward trend continues, stocks like Page-Hersey, Steel of Canada, Canada Packers, Laura Secord and others would be more attractive to the ordinary investor if they were subdivided. This is not to say that the companies are making plans for share splits, for there is no information to such effect, but eventually they might be doing investors a favor by considering it.

Splitting of higher-quality common shares would encourage smaller investors to buy into well-established earnings and dividends rather than to speculate in low-priced stocks of lesser merit. And increased values and marketability would be helpful to present shareholders.

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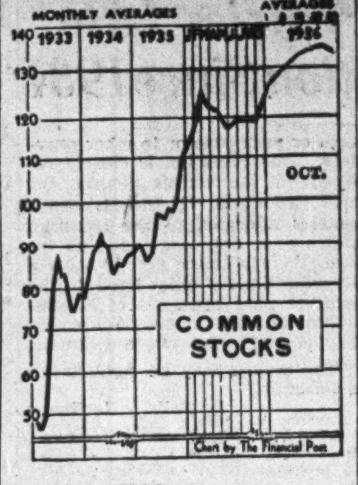
Devaluation Aid

SO MUCH has been said about devaluation of gold currencies such as the French franc that some confusion of thought appears to have resulted. It should first be noted that depreciation of these gold currencies does not immediately permit countries such as Canada to increase exports. Rather, the devaluation assists gold bloc countries to export into countries like Canada. However, the devaluation also allows the former gold bloc nations to reduce their tariffs, and to this extent the move is helpful to Canadian export trade.

In the long run, the currency devaluation may contribute to an inflationary upward trend of international commodity prices. The effect should be beneficial to Canadian income, which is derived to a major extent from exports of raw materials. Finally, the tentative stabilization of currencies following the devaluation should improve international trade. All this has a beneficial long-run effect on business andon equity securities.



LEVELLING

Common stock price average of the Dominion bureau was 133.7 for the week ended Oct. 29, slightly below the level of the preceding week. The average has reached a level temporarily at the highest points for the year. Comparative figures appear on this page.

Fail to Confirm Gatineau Report

Deliveries to Ontario Hydro Unchanged — Is Increase Coming?

From Our Own Correspondent

MONTREAL. — Gatineau Power Co. has not received intimation from the Hydro-Electric Power Commission of Ontario that it will take an additional 40,000 h.p. in deliveries, and officials of the company state they know nothing beyond the unconfirmed report.

Gatineau Power has been delivering 100,000 h.p. of firm 25-cycle power to the Ontario Hydro at $12.50 a horsepower. In addition there is a reserve of 33,000 h.p. immediate stand-by at $10, and 127,000 h.p. of general reserve power for which the Hydro pays $1.25 per horsepower.

Any increase in the Hydro's "take" from the general reserve under present contracts becomes a permanent part of the firm power at $12.50 per horsepower. Thus, an increase would contribute substantially to Gatineau Power Co. revenues and would assist Canadian Hydro-Electric Corp. which controls Gatineau.

Avoid Forecasts

Ontario Hydro officials declined to go into any predictions at all when consulted by The Financial Post. It was simply stated that at the end of October there was no increase in power taken from Gatineau.

It is expected in investment circles that when the demand for power from the Ontario Hydro reaches its annual peak in December that additional power from Gatineau may be required. But this is not confirmed by Hydro officials.

Any increase in sales of firm power to the Hydro would not be reflected materially in the Gatineau Power and Canadian Hydro statements for 1936. There has been no increase this year and any coming increases would be reflected chiefly in results for 1937 and 1938.

Staff Changes

The Royal Bank has announced the following staff appointments:

J. A. A. MOREL to be manager at Chicoutimi, Que.

C. E. DAWE to be manager at Heart's Content, Newfoundland.

The Canadian Bank of Commerce has made the following change in staff:

G. F. SINCLAIR, formerly manager at By Ward Market, Ottawa, to be manager at Kirkland Lake, Ont.

Investment Notes

Beauharnois — Montreal opinion seems to be that intermittent speculation in the common and in the 5% debentures in Toronto is not justified. The long-run developments depend largely upon the success of Montreal Power in making the project into a paying venture.

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Beatty Bros.—Although the report for the year ended Aug. 31 is not due for some weeks, it is expected to be about the same as last year's which showed earnings of 40 cents a share on the class A common.

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Int. Metal Industries—One large Toronto Stock Exchange firm has been putting clients into the shares on the strength of this year's improvement.

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Toronto Elevators—With the common around 40, the convertible preferred should be close to 120 because one preferred share is exchangeable for three common. The preferred, however, is callable at $110.

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Union Gas—The shares have recovered following the recent slump based on criticism of the company's rates by Hon. David Croll, Ontario Minister of Labor and Welfare. It appears the government recognizes that the company's rates have to be reasonable to allow successful competition in a highly electrified region.

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G. Tamblyn—Considerable interest has followed listing of the new shares which on account of their greater number and more active market should be more popular with investors than the old shares.

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Maple Leaf—Although the milling company cannot be expected to pay dividends for a long time, it seems apparent that the A preferred shares have a considerable edge on the common. In addition to the 70-cent dividend, which becomes cumulative in about two years, they have a joint share in any further dividends. The A preferred is callable at $17.50, although redemption is improbable.

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..**B. A. Oil**—The shares have not participated in the recent general strength of the stock market. Opinion on the shares is favorable in stock market circles and some investors who have made substantial profits on lesser issues have put the proceeds into B. A.

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Rogers-Majestic — The following of these shares has been increasing because of hopes that this year's report will ring sweetly in the investor's ear. The answer will probably be found in sales for the next two or three months, which are the biggest of the year.

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John A. Lang — Greenshields & Co., which firm participated in the stock offering this year, states: "We believe the shares to be undervalued, with considerable scope for appreciation." Buyers at the offering price of $12 have a profit.

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National Grocers—Plans to capitalize arrears of $31.50 a share of preferred dividends have so far come to naught, although differing parties are now said to be getting closer together. The common shares would be expected to increase in value in prospects of dividends if the preferred arrears could be eliminated.

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Royalite — Reaction to the usual semi-annual dividends totalling 75 cents a share was a sharp slump in the stock. Perhaps the shadow of Aberhartian possibilities is the major influence.

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Hydros—Canadian Hydro preferred and International Hydro 6% debentures are attracting speculative interest in expectations that Gatineau Power Co. will eventually show substantial returns from its new Ontario Hydro contracts. There is little doubt in investment circles that Ontario Hydro sooner or later will take much more firm power from Gatineau. The first benefit would be for Canadian Hydro which controls Gatineau, and meanwhile revenue from other sources is rising.

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Standard Chemical — A statement for the six months ended Sept. 30 is due to appear within a short time. Earlier this year improvement was reported in results. The company is keeping a promise in issuing the report for the half year. Last year's earnings were 96 cents a share but no dividends have been paid since 1932.

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United Steel—Sharp advance of the stock indicates how the popularity of low-priced shares allows a stock market push. No earnings have been shown on the common and the first task is to deal with the preferred on which dividends soon become cumulative. Of course the former Dodge Manufacturing Co. was profitable and may recover and the Standard Steel subsidiary may return dividends to United Steel.

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Golds, Nickel—Sale of gold shares is reported in the quarter ended Sept. 30 by General Public Service Corp., U. S. investment trust. But it bought 1,100 shares of International Nickel raising its holdings to 3,000 shares. The golds sold were 1,500 Dome, 2,000 McIntyre Porcupine, and 6,000 Wright-Hargreaves, removing these issues from the portfolio.

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C. P. R. — Frederick Bramley, secretary of the company, held 175 ordinary shares in September and acquired 200 4% preference shares in sterling. W. N. Tilley, K.C., a Toronto director, held 1,360 ordinary shares and disposed of all his 4% perpetual debenture stock.

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Int. Paper & Power—R. J. Cullen, president, in September disposed of 600 class A common shares, 210 class C common, and reduced his 7% preferred by 200 shares to 900.

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National Biscuit Co. — Henry J. Cochran, director, acquired 100 shares in September.

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United Fuel—Rise of the preferred shares which has carried them above $40 is apparently based on expectations of dividends from early introduction of the reorganization plan promised for this year by President S. A. Morse. He pointed out that a small dividend could have been paid earlier this year but that it would be best to defer payments pending the reorganization. Since average earnings have been about $2.50 a share over the past three years, it is reasonable to expect provision for regular dividends in the reorganization. Details, however, are not yet available.

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Shawinigan—has advanced several points in the past week on the report of improved earnings and prospects of an increase in dividend. So far there has been no intimation by the management of any change in the disbursement on the common stock. However, as the company has been reporting income well in excess of the current rate, it would not be surprising to see an upward change in the dividend.

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Dominion Textile — the common stock has been purchased more freely of late, largely because of its attractive dividend yield. While reports are that income for the present year will not show much change from that reported last year; in fact, may be less, it is considered that the strong financial position of the company will permit continuance of the present dividend rate.

• • •

B. C. Power—"A" stock has been climbing steadily upward. Advances have not been as spectacular as in many other issues, but at the current level of 37 to 38 the stock is selling several points above the year's low. Interim reports indicate net earnings are running slightly ahead of a year ago, indicating the dividend will be comfortably earned during the current fiscal year.

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National Breweries—the common stock continues to make an unimpressive showing on the stock markets. It has declined gradually and at present is selling just above 40. There does not appear to be any particular reason for this contrary showing. Reports are that income will be somewhat less for 1936, but still sufficient to cover the dividend by a comfortable margin.

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Quebec Power — the stock has shown signs of greater strength. The present price level returns a yield of 5%, which is higher than on most of the rest of the utility stocks.

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Dominion Bridge—at 50½ to 51 the stock has touched a new high for this year. As far as can be learned the company has no especially large orders on its books; small orders, however, aggregate a fairly substantial sum. When big scale building and engineering works get under way, Dominion Bridge will be able to show large earnings, if its past record is any criterion.

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Commercial Alcohol — the stock has suddenly come to life, the volume of trading on the Montreal Stock Exchange last Monday being almost as much as is sometimes traded in a month or year. Sales are officially reported to be running well ahead of 1935. The preferred is in arrears and there is a hint that these may be liquidated by the issuance of common stock, which is now selling around two.

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General Steel Wares — preferred has touched a new high this year of 77. Reports are that the company is doing just as well as last year, if not better. Further, there is increasing talk of a refunding operation being carried out, which would effect a saving in interest charges and add appreciably to earnings on the preferred. John Newman, president of the company, is still in England and there is not likely to be any developments until after his return.

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Maclaren—some interest is being worked up in Maclaren Power & Paper stock, which is finding a market around 20. This company issues only a consolidated report, so that it is difficult to tell just what the different divisions are doing. The power subsidiary, Maclaren-Quebec Power, can hardly be contributing much to the general exchequer since revision of its Ontario Hydro contract. The newsprint department is operating at or near capacity and is probably the principal source of income for the parent company.

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Price Bros.—the common has sold up to 17. There is no official word as to what, if any, steps are being taken to effect the long-postponed reorganization. Many stories are in circulation, but it is hard to give credence to any in view of the conflict of statements. However, it would appear that the longer the reorganization is put off, the better are prospects for the preferred and common shareholders.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
Weekly Figures, 1936:										
Oct. 1	141.0	21.7	99.0	225.7	71.2	166.5	132.1	205.2	55.2	127.1
Oct. 8	149.5	24.8	100.3	230.0	73.3	170.2	132.5	210.3	59.2	131.5
Oct. 15	151.7	24.6	100.4	236.7	73.7	171.2	133.6	213.8	60.2	133.7
Oct. 22	151.2	25.7	103.5	239.3	73.6	173.2	133.3	216.0	59.4	134.4
Oct. 29	153.4	24.9	103.7	238.6	74.5	174.1	132.1	214.3	59.7	133.7

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 3	154.45	137.84	172.63
Nov. 2	153.51	137.65	168.88
Oct. 31	153.17	137.57	164.59
Oct. 30	153.31	137.11	162.38
Oct. 29	153.06	137.31	159.41
Oct. 28	152.15	136.55	157.46
Month ago	148.77	137.37	153.65
Year ago	121.10	106.52	100.57
High, 1936	154.45	150.46	172.63
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 3	80.6	89.7	86.6
Nov. 2	79.0	89.5	86.0
Oct. 31	77.0	88.7	84.8
Oct. 30	77.3	88.3	84.7
Oct. 29	77.5	88.7	85.0
Oct. 28	76.5	88.3	84.4
Month ago	77.2	86.3	83.3
Year ago	65.1	62.3	63.2
High, 1936	79.0	89.5	86.0
Low, 1936	67.2	69.5	68.9

Massey-Harris Plan Effective

Bondholders Unanimously Adopt Revision of Sinking Fund

Bondholders of Massey-Harris Co. have given unanimous approval to the plan to readjust the sinking fund for the 5% bonds due 1947, after two postponements of the meeting due to lack of a quorum.

Although President T. A. Russell made no statement on current business at the meeting on October 28, he stated at a previous meeting that the earlier increase in sales has not been maintained since mid-year.

New Arrangement

The new sinking fund arrangement provides for payments of $100,000 each October 1 and each April 1 commencing Oct. 1, 1936, and continuing up to 1941. From 1942 to 1945 the payments are to be $125,000 on each semi-annual date and thereafter $150,000 each.

The company can redeem the bonds at 102 up to Oct. 15, 1937 and at 101 thereafter.

Formerly the sinking fund was $300,000 semi-annually, or $600,000 yearly. This reduced the amount of outstanding bonds from $12 millions in 1927 to $8.7 millions in 1932. Since then the sinking fund has been in default and this is remedied by the new arrangement.

To Recast C.N.R. Debt Structure

Change in Capitalization is Howe's Aim

From Our Own Correspondent

OTTAWA.—Another government plan for recasting of the capital structure of the Canadian National Railways was announced in Montreal this week in an address by Hon. C. D. Howe, minister of the new transport department.

The Liberals had this in mind in 1929 and 1930, but the necessary legislation was never introduced.

It was discussed sporadically during the Bennett administration. Sir Henry Thornton was anxious to have it done, but there was considerable opposition on the ground that it obscured the real losses of the system.

Hon. C. D. Howe appears to have adopted the attitude of the former president. Nothing which the government can do will hide the fact that the government system is draining the federal treasury annually of between $40 and $50 millions, but the minister and the government evidently mean to confine the debt structure to the sums actually owed to the public in bond issues.

Consolidated Industries To Surrender 7 Charters

Notices of intention to surrender charters of seven of the companies of the former Consolidated Industries Ltd., are published in the current issue of the Canada Gazette.

The companies concerned are: Consolidated Industries Ltd., Consolidated Industries Export Ltd., Consolidated Industries Products Ltd., DeForest Radio Corp., Hammond Co. of Canada, Norge Corp. of Canada, Challenger Manufacturing Co.

These company charters were not taken over by Rogers-Majestic Corp. when it acquired the assets of Consolidated Industries Ltd. The surrenders of charters are understood to be of no concern to Rogers-Majestic Corp.

U. S. Investment Dealers Convene Dec. 2 to 6

Investment Bankers' Association of America holds its annual convention this year at Augusta, Georgia, Dec. 2 to 6 inclusive.

Guest speakers will include Dr. K. T. Compton, president Massachusetts Institute of Technology; Dr. Lionel D. Edie, New York consulting economist; James M. Landis, chairman of the U. S. Securities & Exchange Commission and C. A. Dykstra, city manager of Cincinnati.

The largest attendance since 1929 is expected.

Canada Wire Reduces Arrears

Payment of $6 on "A" Shares This Year Cuts Arrears to $18.37

From Our Own Correspondent

MONTREAL.—Directors of Canada Wire and Cable Co. have declared a dividend of $2.75 a share on the 6½% cumulative preferred stock on account of arrears. Early last September the board declared a dividend of $3.25 on arrears, making a total disbursement of $6 a share for this year. After the current payment the stock will be $18.37 a share in arrears.

Last year appeared to mark definite recovery of this company from its depression experiences, earnings per share on the preferred stock amounting to $8.76 as against only 22 cents in 1934.

Despite its depression experiences, Canada Wire and Cable has been able to maintain a strong balance sheet position, the last report showing current assets of $2.3 millions including cash of $277,743 and marketable securities of $338,917, against total current liabilities of $188,846.

Final Step Reached In Mimico Refunding

Formal application to the Ontario Municipal Board for an order approving the refinancing plan for the town of Mimico has been made and Nov. 17 set as the date for the hearing on the application.

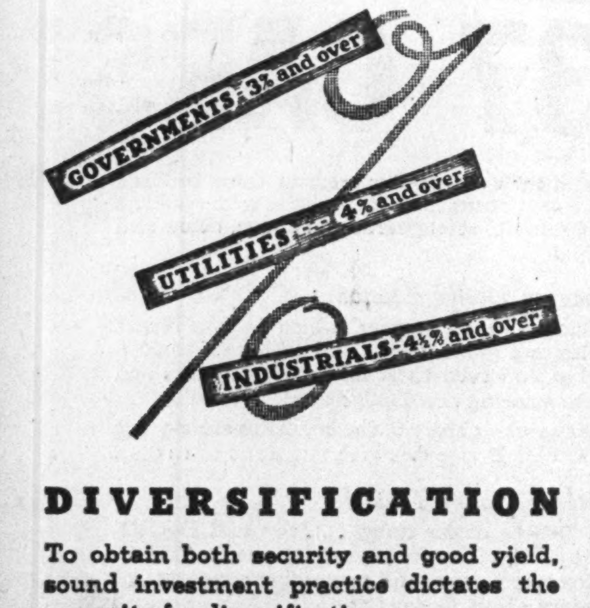
The plan provides for a cut of 20% in bond interest from Jan. 1, 1937. Arrears of interest are to be liquidated by a cash payment of 50% of the amount due. No cut is to be made in principal.

Since the Mimico plan has the approval of the town council and there has been no opposition from bondholders, it is not expected that the hearing will require as long a time as did the Windsor plan. The opposition of the Windsor city council was the chief factor in prolonging the hearing of the plan for the border municipalities. The chief opponent of the Mimico plan is expected to be the town of New Toronto, which has guaranteed $216,511 of Mimico debentures.

Canadian Footwear

Leather footwear produced in Canadian factories during August totalled more than 2 million pairs, an increase over July of 336,317 pairs, or 20%.

SELECTING SOUND INVESTMENTS



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To obtain both security and good yield, sound investment practice dictates the necessity for diversification.

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November Investment Funds

November Review and Bond List will be forwarded upon request.

During November, substantial sums will be paid to investors due to government and corporation bond retirements. Interest and dividend payments will augment these amounts.

Our Review and Bond List offers a wide selection of bonds suitable for reinvestment. The current position of the Canadian bond market and general conditions are reviewed.

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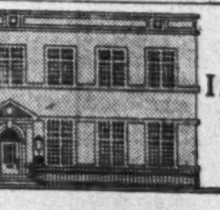
MINES AND  INDUSTRIALS

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Bond Markets

Bond Market Develops Slightly Better Tone

The Recent Decline in the High-grade Market Has Been Due to Short-term Factors — McGeer Fails in London

A better tone has developed in the bond market, prices of high-grade government issues strengthening for the first time in several weeks.

Western provincial issues have also been stronger, gains being recorded by issues of all four western provinces. Default of the Alberta Nov. 1 maturity was expected and as a result it failed to affect the market. Alberta issues have gained from one to two points.

Despite the large amount of corporation refunding that has come out recently, a considerable volume remains in the offing. Among issues for which refunding can be expected are British Columbia Power 5½'s and 5's and Avon River Power 5½'s.

Redemption of McColl-Frontenac Oil 6's is under consideration. It is not known, however, whether refunding will be undertaken or whether funds for redeeming the issue will be provided through sale of additional stock.

Canada Paper Co. refunding issue of $1.7 million has had good reception. While the outstanding bonds will not be redeemed until June 4, 1937, refunding is being undertaken at the present time in order to take advantage of the recent decline in sterling and also of the favorable market.

Market Decline

THERE is no need for holders of long-term bonds to worry about the recent decline in the market. Financial experts are agreed that the decline has been due entirely to short-term factors and that low interest rates will continue for some time to come.

McLeod, Young, Weir & Co., in its monthly letter, states that the chief reasons for the decline are:

The cessation of buying on the part of large financial institutions due to the approach of their fiscal year-end.

A decline in the volume of buying of Canadian bonds by Great Britain and the United States due in some measure to lack of confidence.

Canadian government bonds selling higher on a yield basis than comparable maturities of British and U.S. government obligations.

* * *

Vancouver Bonds

WHILE Mayor Gerry McGeer refuses to make any definite announcement on the subject, it would appear that he made little progress in his campaign for lower interest rates for Vancouver while in London.

London financiers, Mr. McGeer claims, are in sympathy with his purpose. Their view, however, is that since Vancouver has done all of its financing since 1914 in the Canadian and New York market the initiative must come from financial interests on this side of the water. In other words, London financiers would have passed "the buck."

Asked by The Financial Post what the next step in his fight for lower interest rates would be, Mr. McGeer refused to say.

* * *

Alberta Bonds

THE proposal of the Alberta bondholders' protective committee advising investors not to cash their Alberta bond coupons at the reduced rate still stands. Proclamation of the act validating the order-in-council which cut interest on Alberta bonds to an average of 2½% has not altered the situation.

The reduced interest is only an offer by the government in settlement of bondholders' claims. Acceptance of the reduced rate can only be made in full settlement of claims, and in the view of the committee is tantamount to approval of the government's action. The committee is still hopeful of some compromise being arranged.

Should the government repudiate its obligations even further in the future it is impossible to say whether a bondholder would be able to collect interest at the reduced rate for the period when he refused to cash his coupons. Funds to meet these interest payments are deposited with the banks, but there is nothing to prevent Alberta from withdrawing these funds, although it has never been done to date.

* * *

Bond Index

THE trend of the high-grade bond market is indicated below:

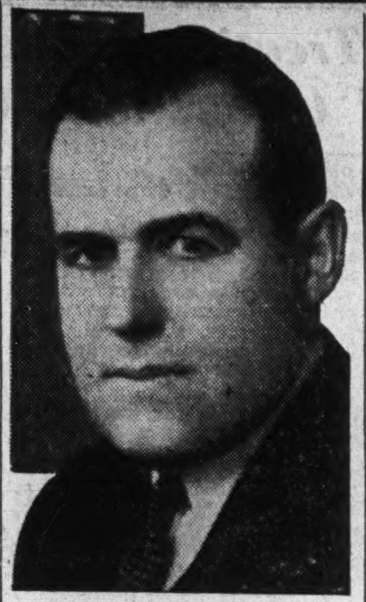
The Financial Post Index of Average Price and Yield of High-Grade Governm't Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Nov. 3	115.48	3.169	Nov. 2	110.73	3.693
Nov. 2	115.64	3.154	Nov. 1	110.80	3.683
Oct. 31	115.66	3.149	Oct. 31	110.62	3.700
Oct. 30	115.60	3.156	Oct. 30	110.57	3.704
Oct. 29	115.33	3.184	Oct. 29	110.54	3.707
Oct. 28	115.12	3.208	Oct. 28	110.54	3.707
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Quebec Municipal Board To Take Over Deschesnes

From Our Own Correspondent

MONTREAL.—Quebec Municipal Commission will file with the Judge of the Superior Court, at Hull, on November 14 a petition for the purpose of having the municipal Corporation of the village of Deschesnes, Gatineau County, declared in default.



NEW PARTNER

A. H. Seguin, who has become a partner in the newly formed firm of Barrett, Seguin & Co., members of the Toronto Stock Exchange.

Form Barrett, Seguin & Co. On McCullagh Withdrawal

Following withdrawal of C. George McCullagh from partnership in Barrett, McCullagh & Co., Toronto Stock Exchange firm, A. H. Seguin has become a partner and the firm name is changed to Barrett, Seguin & Co.

Mr. McCullagh has become the publisher of the Toronto Globe with the backing of W. H. Wright, mining millionaire.

Mr. Seguin was formerly joint manager of the Toronto main office branch of the Imperial Bank of Canada. His name is pronounced "sye." Mr. Seguin's connection with the Imperial Bank dates from 1905 when he joined the Cobalt branch. He opened and managed branches for the bank in most of the older mining fields of northern Ontario. In 1928 he came to Toronto and was manager of the Bay and Temperance Streets branch, becoming manager at King and Bay in 1931.

Plan To Adjust Mortgage Debt

Manitoba is Also to Get Relief in Drought Area

Negotiations are continuing between the mortgage and loan companies and the Manitoba Government in regard to proposals for relieving debt burdens in the Manitoba drought area. Representatives of the lending institutions met in Toronto this week to discuss the proposals.

The proposal put forward by the mortgage companies is a voluntary one, and while no definite announcement is available, The Financial Post understands that it is similar to the agreement recently consummated with Saskatchewan.

In a recent announcement Premier Bracken intimated that the government will wipe out entirely the total drought area relief debt of $1.2 million up to Apr. 30 last and assume one-third of the losses on seed grain loans this year. Certain adjustments of tax arrears in the drought area will also be made. There are 13 municipalities in the drought area.

To Wipe Out Arrears

In the drought area it is proposed that arrears of interest to Jan 1, 1935, be cancelled and that the amount owing for 1935 and 1936 be consolidated with the principal as at Jan. 1, 1937. The principal is to be repayable over a 10-year period. Interest is to be reduced to 6%.

The offer of the mortgage interests includes a stipulation that the debt adjustment must be final and that the government give an assurance that no future legislation will be passed to change it.

The total write-off in Manitoba will be considerably less than in Saskatchewan since the drought area is much smaller. Conditions in Manitoba are also much better than in its sister province.

Ready to Exchange Ancroft Place Bonds

The scheme of reorganization of Ancroft Place Ltd., Toronto residential block, having been approved from July 31, 1936, holders of the 6% and 6½% bonds with interest coupons dated from Sept. 1, 1933, are asked to deliver their securities to the Chartered Trust and Executor Co., for exchange.

Holders of the $289,500 in 6½% first mortgage bonds will receive 2% interest payment for the period March 1 to Aug. 31, 1936, new 4% bonds and one new class A share for each $100 of bonds held. These bonds have been in interest arrears from last March.

Holders of the $49,300 in 6% second mortgage bonds will receive four shares of new class B stock for each $100 of bonds held. The second mortgage bonds have been in arrears of interest since March, 1930.

All new shares of the company have a par value of $1 each. Provisions for the two classes of shares mentioned are identical except that holders of Class A have the right to elect three of the board of five directors.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

Executive - Accountant

YOUNG MAN, 29, NOW EMPLOYED, IS interested in making change to position with some firm offering greater future. Eight years office and selling experience and two years as executive. Good character, personality, first class references. Box No. 363, The Financial Post, 481 University Avenue, Toronto, Ont.

Second Issue Is Defaulted By Alberta

Next Maturity is $1.6 Million in June, 1937

CONTINUES INTEREST

Unable to obtain a loan from either the Federal Government or the Bank of Canada, Alberta, as was expected, defaulted on its Nov. 1 maturity. Interest on the $1¼ million issue will be continued at 50% of the coupon rate, or 3%. Interest at the same rate is being paid on the $3.2 millions 6% issue which was defaulted on Apr. 1 last.

Announcement has also been made of the proclamation of the legislation validating the order-in-council passed in June which cut interest rates on Alberta bonds from an average of 4.89% to 2½%.

The proclamation is not "a complete answer," Premier Aberhart stated to the protests of Alberta bondholders who a month ago submitted a report showing that the province could pay interest on its bonds in full without jeopardizing its solvency.

Mr. Aberhart said that "a complete denial to the contentions of the bondholders" could be given only by the proclamation of the act of the legislature authorizing a general refunding of Alberta bonds into perpetual stock. He said the government had no intention of immediate proclamation of this act.

Alberta now has $4.4 millions of bonds in default on principal, on which interest is to be continued at 50% of the coupon rate. The next maturity is June 1, 1937, when an issue of $1.6 millions of 4½% bonds falls due. This is the only issue maturing in 1937.

Canada Paper Co. To Raise Capital

Out of Proceeds Will Pay Back $500,000 to Howard Smith

From Our Own Correspondent

MONTREAL. — Shareholders of Howard Smith Paper Mills have approved a special by-law authorizing the company to issue bonds in connection with the refunding operations recently completed.

Harold Crabtree, president of the company, stated that the refunding operation, which will result in annual interest savings and will free the company from losses through possible fluctuations in the Canadian dollar, the U. S. dollar and sterling, was done at a particularly opportune time, when the pound was around par.

He added that it was not all savings, however, as the expenses in connection with the issue, including premium on the old bonds and discount on the new issue, amounted to approximately $430,000. However the net amount of bonds outstanding would be some $10,000 less than the old issue, as the $430,000 would be covered by repayment of a loan made to Canada Paper Co., a subsidiary.

Canada Paper Offering

Canada Paper Co., which is controlled by Howard Smith Paper Mills, is offering $1.7 million of first mortgage bonds. Proceeds of the issue will be used to redeem $1.1 million of 6% bonds which are outstanding and to liquidate advances of $489,000 from Howard Smith Paper Mills.

The issue is divided into $500,000 of 3% serial bonds due 1938-41; $500,000 of 3½% serial bonds due 1942-45; and $700,000 of 15-year 4¼% bonds. The 4¼% bonds are being offered at 101 to yield 4.16%.

Maximum interest requirements of the issue will be $62,250. Operating profit of Canada Paper Co. in 1935, before providing for bond interest, depreciation and depletion was $319,759. For the first nine months of 1936, operating profits of the company and its subsidiaries were $30,140 higher than in the corresponding period of 1935.

Working capital as at Sept. 30, 1936, amounted to $854,424, compared with $807,990 at the end of 1935.

The outstanding 6% bonds are to be redeemed June 4, 1937, although formal notice of call has not yet been made. The redemption price is 103¼.

Canada Paper Co.
$1,700,000 First Mortgage Bonds
3%, 3½%, 4¼%—Series A

Dated—June 4, 1937; due June 4, 1938-45 and 1952.

Principal and semi-annual interest (June and Dec. 4) payable in lawful money of Canada, in Montreal, Toronto, Halifax, Saint John, Winnipeg, Calgary or Vancouver.

Authorized—$4,000,000; to be issued and outstanding—series A, $1,700,000.

Redeemable—In whole or in part at any time prior to maturity on 30 days notice. at 101 for the serial bonds; the 15-year bonds at 103 if redeemed on or before June 4, 1942; thereafter at 102 if redeemed on or before June 4, 1947; thereafter at 101 if redeemed prior to maturity.

Sinking fund—Commencing June 4, 1946, there will be provided for the 15-year bonds an annual sinking fund amounting to $100,000 per year.

Security—A specific first charge on and of the lands, interest in lands and timber limit, buildings, plant and equipment and all shares of subsidiary companies owned by the company, including all real or immoveable property and shares of present and future subsidiary companies hereafter acquired by the company, and a floating charge on the undertaking and all other assets, present and future.

Offered — By Wood, Gundy & Co., at 101 and accrued interest to yield 4.16% for the 15-year bonds.

Lake of Woods Milling Not Planning Bond Issue

From Our Own Correspondent

MONTREAL.—C. H. G. Short, general manager, was elected to the board of directors at the annual meeting of Lake of the Woods Milling Co. shareholders. This was the only change, the other directors being re-elected, while the reports were adopted unanimously.

In submitting the report to shareholders, President F. S. Meighen commented on the strong financial position of the company. In reply to a shareholder's query, the president stated the board had discussed the question of re-payment of bank loans through proceeds of a bond issue but did not consider it advisable. During the past year the company had obtained a reduction in the rate on its bank loans, he added.

NEW DIRECTOR

J. O. Montplaisir, of Drummondville, Que., who has been elected a director of Southern Canada Power Co.

Canada Bread Draws Bonds

$100,000 Redemption Reflects Improved Earnings and Liquidity

Canada Bread Co. is to redeem at 110 on Feb. 1, 1937, $100,000 of its 6% bonds issued in 1911. Numbers of the bonds drawn for redemption have been published by Chartered Trust & Executor Co., Toronto, trustee for the issue. Payment will be made by the trustee.

At June 30 last, Canada Bread Co. had $958,700 of bonds outstanding. However, $47,400 of bonds were held by the company for redemption, making the net amount $911,300. Redemption of an additional $100,000 would reduce the net outstanding bonds to little more than $800,000.

Conservation Policy

Since C. H. Carlisle became president of the company, he has stressed the necessity of providing for redemption of the bond issue by the maturity date, Aug. 1, 1941.

The redemption reflects improvement in earnings which in turn has increased working capital in the last few years due to conservation of earnings. Payment of 50 cents a share has been made this year on the class B preferred. Full cumulative dividends of $2.50 a share on the B preferred, plus the annual 5% on first preference shares, would take $93,750 annually. Last year's earnings were $163,478. Even without further improvement in earnings, this would allow accumulation of nearly $70,000 annually in the company's exchequer either for bond redemptions or for additional participating dividends on the B preferred which shares such payments with the common.

It is understood that improved earnings experienced in 1935-36 have continued in the current year which runs to June 30, 1937. Consequently it is expected that full quarterly payments of 62½ cents a share each on the B preferred may be adopted soon to prevent arrears from accumulating. Dividends on the B preferred were in arrears $2.62½ a share after the 50-cent payment on Oct. 1, 1936.

St. Germain Parish Issues Serial Bonds

Comptoir National Makes Public Offering Yielding About 3½%

From Our Own Correspondent

MONTREAL.—Comptoir Nationale de Placements Ltée. is making a public offering of $460,000 of 3½% serial bonds of the trustees for the Parish of St. Germain of Outremont. The maturities between 1951 and 1935 are offered at 100 and accrued interest and the 1956 maturity at 99.75 and accrued interest.

These bonds, which are payable as to principal and interest in Canadian funds only, have been issued to pay off a former issue made in 1931 and to consolidate all the debt incurred on the acquisition of the land and building of the church, the presbytery, the baptistery.

The bonds are a direct obligation of the parish, which has no other funded debt, and are secured by an assessment levied annually affecting all real estate located in the parish owned by French-speaking Roman Catholics and valued at $5 millions.

Hospital Calls Bonds

From Our Own Correspondent

MONTREAL.—Hospital of the Infant Jesus, Quebec City, has called for redemption Feb. 1 next at 101 all of the outstanding bonds of the $205,000 issue created Feb. 1, 1926, and maturing from Aug., 1937, to Aug., 1956, inclusively.

Barrett, McCullagh & Co.
extend sincere good wishes to
C. George McCullagh
upon his retirement from the firm
and are pleased to announce the
admission to partnership of
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Calgary Wants Three-Year Cut For Bond Rates

Mayor Favors Percentage Reduction in Rate on All Bonds

FURTHER SURVEY

In requesting bondholders for a voluntary reduction in interest for a three-year period, the city of Calgary has submitted two alternative suggestions for the consideration of bondholders. These are:

(a) An interest rate on all debentures of 3½%, involving an approximate annual saving to the general revenue fund and the city utilities of $285,000.

(b) A percentage reduction on all debentures which would effect a similar saving and which would be equal to a cut of about 25% of the present rate.

While the city is asking for only a three-year reduction at the present time it has requested that any agreement arrived at may be made on the understanding that a further survey of the city's affairs be undertaken before the expiration of the three-year term in order to effect a new agreement. This investigation, it is suggested, should be by some form of commission satisfactory to both parties.

A further suggestion has been made that all Calgary bonds held by its sinking fund be cancelled, thereby saving sinking fund levies and interest on these bonds.

Mayor Favors Second Proposal

In a recent statement, Mayor Andrew Davison stated he favored the second proposal providing for a percentage reduction in interest. The difficulty with the proposal for a cut of interest to 3½% on all debentures is that holders of bonds bearing high rates of interest would suffer the greatest reduction. It is possible that in many instances, by reason of the favorable rate, these bonds were purchased at a premium with the result that the coupon rate does not represent the actual interest return to the purchaser.

Of a total debenture debt of $21.4 millions of Calgary debentures, $14 millions are in the hands of the public and $7.3 millions are held as follows: City of Calgary sinking fund, $6.4 millions; trust and pension funds, $223,945; and Province of Alberta, $743,393.

Montreal Not to Ask Government For Loan

With its budget balanced for the last half of its fiscal year, which began Nov. 1, the city of Montreal will have no need to make an appeal to the Quebec Legislature for a loan to carry it through the year, Ald. J. M. Savignac, chairman of the executive committee, has announced.

Notice to Debenture Holders and Creditors

of the Municipality of the

TOWN OF MIMICO

NOTICE OF APPLICATION TO THE ONTARIO MUNICIPAL BOARD

IN THE MATTER of "The Department of Municipal Affairs Act, 1935," and IN THE MATTER of the Application of the Municipal Corporation of the Town of Mimico, for an Order approving, authorizing and confirming a plan for the readjustment and reorganization of the debts of the Municipality of the Town of Mimico.

APPOINTMENT FOR HEARING

TAKE NOTICE that the Municipal Corporation of the Town of Mimico have this day filed with the Board a plan for readjustment and reorganization of the debentures and other indebtedness of the Municipal Corporation of the Town of Mimico and the approval of not less than two-thirds in amount of the aggregate indebtedness of the municipality to the making of an order by the Board for the purpose of authorizing, implementing or carrying into effect the provisions of the said plan; and have applied to the Ontario Municipal Board for an Order of the Board approving, authorizing and confirming the said plan and ordering the same to be binding upon all persons affected thereby;

AND FURTHER TAKE NOTICE that the Board intends to deal with this application at its Board Room in the Parliament Buildings, Toronto, on Tuesday, the Seventeenth Day of November, 1936, at the hour of eleven o'clock in the forenoon, and that the Board, if the facts and conditions shown so warrant, intends to exercise any or all of the powers conferred upon the Board under section 33 of "The Department of Municipal Affairs Acts, 1935".

DATED at Toronto this 31st day of October, 1936.

E. W. CROSS,
Chairman.
M. B. SANDERSON,
Acting Secretary.

Debenture holders or Creditors desiring detailed information of the plan should address their inquiries to the Fiscal Agents National Trust Company, Ltd., Toronto; The Toronto General Trusts Corporation, Toronto.

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5½% FIRST MORTGAGE BONDS
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2 Tins AYLMER Tomatoes
2 Tins AYLMER No. 2 Peas
2 Tins AYLMER Golden Bantam Corn
2 Tins AYLMER Red Cherries
2 Tins AYLMER Fruits for Salad
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2 Tins AYLMER Bartlett Pears
2 Tins AYLMER Tomato Juice
2 Tins AYLMER Grapefruit
Your Old Country Christmas Gift Problem Solved
Good-bye all your worries about Customs Duty, freight, breakage, and what not! For the moderate sum of $4.25 cash, we will arrange to deliver, free of duty, freight and all charges to any address in England, Wales, Scotland, or Northern Ireland, the appetizing AYLMER Gift Package illustrated above. Write to-day for further particulars of this unique offer:
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Alberta Bondholders' Report 2.

Alberta Has Economic Capacity To Pay Interest, Statistics Show

Reduction Will Give Only Minor Relief, Is Finding in Elliott-Walker Report to Province's Bondholders

In estimating the capacity of Alberta to meet its financial obligations the national income of the province is of major importance. Because of reduced crops, restricted markets, falling prices, the income of Albertans has been seriously reduced in recent years, but this has been the common experience in all of Canada.

The ability to pay for goods and services, interest on debts, insurance premiums, etc., as well as the repayment of maturing obligations, arises from the aggregate money value of productive effort.

What Is Productive Effort?

What is regarded as productive effort in an economic sense? The term "production" is used here in its popular acceptation, as including the growing of crops, mining, fishing, conversion of water power into electric current, manufacturing, etc.,—in economic phrasology, the creation of "form utilities." It does not include various activities which are no less "productive" in a broad economic sense, such as:

(a) Transportation, refrigeration, merchandising, etc.

(b) Personal and professional services, such as those of the teacher and the doctor — representing, in economic language, the creation of "service utilities."

Net Value of Production

As showing the importance of these latter activities, it may be pointed out that according to the 1931 census 1,472,000 gainfully employed persons in Canada were engaged in the creation of service utilities the value of which are not included in the survey of production. Hence, in calculating the grand total value of productive activities of the employed population of Canada, 60% should be added to our total net production.

With this in mind it is to be noted in references to income that follow that the net value of production is not the total income out of which taxes, interest and other charges are met. It is only a part and therefore its amount is only a partial indication of capacity to pay. The net value of production is in fact the surplus remaining to the producer after charging off from gross production values, the value of materials used in the productive process.

In order to estimate the total income it will be necessary to add the value of production of those gainfully employed persons engaged in creating "service utilities." In estimating the income of Alberta no credit has been taken for interest and dividend income received from outside the province.

In the years of depression the net value of production in Alberta, and through the Prairie Provinces, fell rapidly. After the good crops of 1928, the returns from productive effort melted away, but this was characteristic not only of the west, but also of the east. The following table shows comparative figures of net values of production for Canada as a whole, Alberta and Saskatchewan:

	Canada $ 000's	Alberta $ 000's	Sask. $ 000's
1934	2,380,717	178,043	119,617
1933	1,966,451	144,211	100,521
1932	2,104,908	157,016	117,859
1931	2,572,273	187,020	110,558
1930	3,183,925	185,032	131,097
1929	3,946,609	237,494	238,782
1928	4,122,510	341,414	413,825

Moderate Recovery Under Way

Agriculture is the dominant activity of the west. After the initial acute reduction of agricultural returns occurred no further deterioration took place and for several years moderate recovery has been in progress. This conclusion is in agreement with the observation that while non-agricultural pursuits were plumbing new low levels in 1933, agricultural returns had already passed their lows one or two years previously. The trend of agricultural and non-agricultural production in Alberta is indicated below:

	Total net production $ 000's	Net agricultural production $ 000's	Net non-agricultural production $ 000's
1934	178,043	118,953	59,090
1933	144,211	93,991	50,220
1932	157,016	99,530	57,486
1931	187,020	113,850	73,170
1930	183,032	86,883	98,149
1929	237,494	128,327	109,167
1928	341,414	248,289	93,125
1927	385,303	301,911	83,392

Although Alberta has suffered her share of the blows of the depression, it is obvious from the foregoing table, the economic crisis in Alberta agriculture occurred in 1930 and in the period of adaptation to new circumstances for a time thereafter.

This conclusion is apparent not only in the above statistics but in current observation. In general, business is not so active anywhere in Canada in 1936 as it was in 1929 and this statement applies as much to Alberta as it does to any other section of the Dominion. Yet it is true that incomes and prices are higher than they were in 1932 and Alberta agriculture has been in the forefront in receiving these benefits, small though they are.

Real Income vs Money Income

While it is true the net value of production in Alberta, and in Canada, fell rapidly, thereby reducing money income, it should not be concluded that the standard of living fell equally rapidly. Incomes were less, but so were expenditures because of falling prices. Thus when the official index number of wholesale prices is taken to correct any estimate of the money returns from productive effort for the decline in prices, it is found that $66.70 bought on the average as much in commodities as $95.60 bought in 1929. In other words the decline in "real" income throughout Canada was much less than the decline in money income. It is, however, from money incomes, reduced though they may be, that interest, taxes, insurance and other fixed charges must be paid.

Total Income of Alberta

According to the 1931 census the number of gainfully employed persons in Alberta was 286,216 of whom 196,519 or 68.66% were employed in occupations covered by the annual survey, and their net production is included in the above table showing the net value of production in Alberta.

It might be concluded that the balance, who are engaged in service occupations rather than in manual production, gain a relatively larger income for their productive efforts. But on the conservative assumption, which is accepted by the Dominion Bureau of Statistics, that the balance of 89,697 gainfully employed persons were only equally productive, it will be necessary to increase the total net value of production by the amount of income earned by the 89,697. Shown below is the estimated total income of population in Alberta.

	Net value of production $ 000's	Estimated value of other services $ 000's	Total income $ 000's
1934	178,043	81,264	259,307
1933	144,211	65,822	210,033
1932	157,016	71,667	228,683
1931	187,020	85,361	272,381
1930	185,032	84,454	269,486
1929	237,494	108,399	345,893
1928	341,414	155,831	497,245
1927	385,303	175,863	561,166

The above totals represent in the accepted usage of the term the aggregate income of the people of Alberta, exclusive of income earned from investments outside the province for which no credit has been taken. To the extent that they are not supplemented by outside borrowing these sums must provide, not only ordinary living expenses and services, but also the cost of government, the support of church, educational and charitable institutions, the interest and installments of maturing principal of private indebtedness, the expenses of transportation, maintenance and extension of fixed assets and equipment, the premiums of life and fire insurance policies, etc.

Income Available

In any industrial country where division of labor is the rule and a money economy prevails, the larger part of the national income of the people is spent in the purchase of commodities and services at retail. The application of this principle will provide a statistical basis for examination of the amount of the balance of income available for the cost of government including interest on government debt. It seems evident that the cost of government ranks next to the living expenses in order of precedence in personal expenditures, either because taxation is unavoidably included in retail prices or because it is legally obligatory.

Given below are comparative figures of income and retail sales in Alberta:

	Income $ 000's	▲Total retail sales $ 000's	Retail sales as % of income $ 000's
1934	259,307	141,373	54.52
1933	210,033	127,292	60.60
1932	228,683	135,413	59.21
1931	272,381	158,595	58.22
1930	269,486	207,256	76.91

▲In addition to retail merchandising, sales include retail service sales and other retail sales.

Estimate of Margin of Income

In order that the estimate of the margin of income might be conservatively stated, deductions were made not only for the value of actual goods purchased at retail, but also for a wide variety of services. In addition the estimated value of certain additional services was deducted, the value being placed at one third of the service income. These services include the professional services of accountants, physicians, dentists, lawyers, etc., the personal services of domestic services and those engaged in finance—gainfully occupied persons whose services in a broad way are not regarded as a cost in the production and distribution of goods or whose services are not charged against the public funds. The margin of income on this basis is estimated as follows:

	1934 $ 000's	1933 $ 000's	1932 $ 000's	1931 $ 000's	1930 $ 000's	1929 $ 000's	1928 $ 000's
Total income	259,307	210,033	228,683	272,381	269,486	345,893	497,245
Less: Retail sales	141,373	127,292	135,413	158,595	207,256	256,476	264,864
Balance of income	117,934	82,741	93,270	113,786	62,230	89,417	232,381
Less: Additional services ..	27,088	21,940	23,889	28,453	28,151	36,133	51,943
Margin of income	90,846	60,801	69,381	85,333	34,079	53,284	180,438

Estimate of Economic Capacity

Now to compare margin of income with provincial interest payments. Information for such a segregation is not wholly available, but in the table shown below, the balance of income is shown in relation to (a) the taxes collected from the people for which no specific services or benefits are conferred by the government, and (b) the gross interest payments on the public debt.

These 2 classifications, of course, overlap as provincial and municipal interest are payable out of current revenues of which taxes form a substantial part. No allowance is made for Dominion income taxes as this amount is more than offset by Dominion subsidies.

Indirect taxation levied and collected by the Dominion is largely included in the values of retail sales which have already been deducted from total income. The amount of provincial taxes has been reduced by the gasoline and amusement taxes collected as these two are included in the estimate of retail sales.

Balance of Income and Direct Taxes Paid

	Balance of income $ 000's	Provincial taxes $ 000's	Municipal taxes $ 000's
1934	90,846	4,601	12,639
1933	60,801	4,649	12,183
1932	69,381	4,992	12,961
1931 .	85,333	3,850	13,324
1930	34,079	4,489	12,722
1929	53,284	5,523	13,910
1928	180,438	5,239	13,617

Balance of Income and Interest Payments

	Balance of income $ 000's	Provincial interest $ 000's	Municipal interest $ 000's
1934	90,846	8,178	4,352
1933	60,801	8,557	4,229
1932 .. .	69,381	8,520	4,747
1931	85,333	7,881	4,856
1930 .	34,079	6,741	4,833
1929	53,284	6,092	4,816
1928	180,438	5,835	4,006
1927 .. .	261,740	5,631	3,953

Because of the difficulty of precise measurements, it is not contended that the statistics of income show in exact terms the margin of income available, but in general they do convey the effects of the depression and the extent of adaptation to altered conditions which have been achieved. The following conclusions may be drawn:

(a) There is capacity on the part of Alberta to meet full provincial interest payments from the aggregate net income of the province.

(b) Reduction of the province's interest payments can represent only minor relief in solving the economic problems of Alberta..

Full allowance can be made for sectional dependency as a result of crop failures and for social dependency arising from unemployment, and it still remains true that, after deducting costs specified above, the net income in Alberta in 1934 was in the neighborhood of $90 millions. In relation to such a total, an inference that a gross amount of somewhat over $8 millions of provincial interest represents an impossible exaction seems to be entirely out of perspective.

The full effect of reduced interest payments in the fiscal year 1937-38 will be represented by a saving of $3.6 millions, an amount which could hardly represent any relief in the daily lives of Alberta citizens. Indeed, there is little doubt that whatever immediate fiscal benefit is derived will be much more than offset by the incalculable economic and financial damage that will be wrought both within and without the borders of Alberta. In brief, provincial interest payments are such a small part of Alberta's economic problems that, instead of fastening upon them for a solution, attention should be directed to the vital problems of loss of earned income and capital values.

Trend Toward Recovery

The course of events has already brought marked progress in that direction, the evidences of which are apparent in the widening of the margin of income. With continued adjustments achieved in an orderly and rational manner there is good reason to believe that the margin cannot fail to increase further, and as it does the evidences of returning prosperity will not be difficult to perceive.

The ravages of depression have spared few and their repair cannot be achieved overnight. The processes of economic adaptation are slow and impatience for better days is thoroughly understandable. Yet statistical analysis of the events of recent years has shown an astonishing ability on the part of the economic organization to sustain successive shocks, and, when the crisis has passed, to become slowly adapted to the new and altered relationships. The danger is that public opinion, failing to perceive the extent of readjustments achieved, will accept short-cuts and short-sighted policies which can only retard the process of adaptation.

The solution of Alberta's problem lies in the enlarging of income. Already substantial progress has been achieved. It seems apparent, therefore, that from an economic standpoint reduction or even total suspension of provincial interest payments can bring no appreciable temporary or permanent advantage to the people of Alberta.

Cut in Interest Minor Palliative

In this summary of the Elliott-Walker report to the Alberta bondholders' committee, a survey of the income of the people of Alberta and of the economic capacity of the province to pay full interest on its bonds is made.

The survey reveals Alberta has shared in a common misfortune, but the effect of the depression has not been any more severe than elsewhere in Canada. The economic crisis is over, the report finds, and there is no need of further fiscal sacrifices to be imposed on Alberta citizens. Serious economic and social problems remain, but the contraction in net income has been reversed and the situation calls for measures that might aid in the restoration of values and of income rather than procedures to tear down values.

It is shown that the reduction in provincial interest payments is such a minor economic palliative in terms of dollars but so destructive in terms of effect upon the welfare of the people of Alberta and of Canada, that its consequences should be fully explored before the course of default is pursued further by the government.

Further phases of the report will be studied in another article in an early issue of The Financial Post.

Commercial Treaties Bring Harvest of Orders to B. C.

From Our Own Correspondent

VANCOUVER.—In foreign trade this seems to be British Columbia's lucky year, and the more commercial agreements and treaties Canada signs the bigger is British Columbia's harvest of orders.

As a result of the huge proportions of British Columbia's lumber trade to the United Kingdom and the gains made by the same industry in selling Empire countries, this province has more at stake in the maintenance of the Ottawa trade agreements than any other.

Lumber, of course, has not been the only commodity to figure in this growing overseas commerce. Canned salmon, metals, apples and several other products are being sold by British Columbia in steadily increasing volume to Empire countries, directly as a result of the preferential tariff, and in addition the port of Vancouver has benefitted directly from the swollen flow of westbound grain shipments from the prairies.

It begins to look as though, relatively speaking, British Columbia will benefit just as much from the recently negotiated trade agreement with Germany. Manufacturers and shipping men made some rough calculations here for The Financial Post and concluded that probably half the Canadian business likely to be done with Germany under the new Euler deal will consist of products originating in the forests, mines, farms and fisheries of British Columbia. Removal of the "funny money" clauses and variations of the barter system, which handicapped trade with Germany to such an extent under the old conditions, was regarded here as a definite "go" sign for B. C.'s sea-borne commerce with Germany.

Many Industries Jubilant

Wheat is likely to be the chief commodity to figure in German orders, but a large proportion of this will probably be moved through Vancouver. Fresh apples, always in good demand in Germany in the old days, will be shipped from here as they have been to the United Kingdom in steadily increasing volume since the Empire agreements took effect.

Salmon packers see a rich future for their sale of salted salmon. Manufacturers of wood pulp, who abandoned the German market some months ago after several abortive attempts to sell under the crippling exchange control programme of the Nazi Government, say they should be able to gain a new foothold in that market, even in competition with European producers.

Gratifying to Copper Mines

Copper producers are in the same box with lumbermen because the lid is off the amount receivable under the new trade pact. The treaty made particularly gratifying news to Britannia Mining & Smelting Company, once regarded as the Empire's biggest copper mine, and Granby Consolidated Mining & Smelting Company, which only recently decided to resume operations at Allenby.

In the present year it is estimated that British Columbia's foreign trade will total nearly $100 millions, and of this amount the United Kingdom will probably take one quarter. In 1930-31, before the treaties took effect, the same market absorbed only about $10 millions worth of goods from B. C.

Rail Profits Up This Year

Nine Months Gross Up 8% — Net Revenue Is Helped

From Our Own Correspondent

MONTREAL.—Further eviden[ce] of business recovery is seen in th[e] operating revenues of the Canadia[n] National and Canadian Pacific Rail[-]ways.

For the first nine months of th[is] year the two lines reported a[n] aggregate increase of nearly 8% [in] operating income as compared wi[th] the corresponding period of la[st] year. Both lines shared in th[e] improvement, with the Canadia[n] National reporting an increase th[is] year of $9.3 millions, while th[e] C. P. R. income advanced $7.9 mil[-]lions.

On the basis of gross business of $234 millions for the period fro[m] January to September this year, th[e] C. N. R. and C. P. R. had a net rev[-]enue of $18 millions. This compare[s] with net income of $17.5 millions o[n] a turnover of $217 millions in th[e] corresponding period of the pre[-]vious year. While increased ex[-]penses, particularly for labo[r] charges, absorbed the major shar[e] of the larger revenue, the two line[s] were able to show 3% of the gro[ss] increase added to net income.

Comparative figures for the nin[e] months' period follow:

Gross for September

	1935 $	1935 $
C.N.R.	17,956,964	15,899,6..
C.P.R.	14,312,164	13,445,6..
	32,769,128	29,345,3..

Net for September

	1936 $	1935 $
C.N.R.	2,962,637	2,291,2..
C.P.R.	3,422,884	3,290,2..
	6,385,521	5,581,4..

The improvement in railway operations is more noticeable i[n] September. In that month the tw[o] lines had an increase of nearly 10% in gross revenue as compared wit[h] the same month last year. Ne[t] revenue from operations advance[d] more than 14%, indicating a muc[h] better operating ratio. For th[e] month the gross income of the tw[o] railways advanced $2.9 millions, o[f] which $804,073 was credited to ne[t] income. This is shown in the follow[-]ing tabulation:

Gross Nine Months to September

	1936 $	1935 $
C.N.R.	134,448,312	125,099,0..
C.P.R.	99,943,579	92,040,4..
	234,391,891	217,139,4..

Net Nine Months to September

	1936 $	1935 $
C.N.R.	6,205,461	6,134,5..
C.P.R.	11,827,468	11,386,7..
	18,032,929	17,321,3..

Maritime Electric Output

Production of central electric sta[-]tions in the Maritime province[s] during the first three quarters o[f] 1936 totalled 601 killowatt hou[rs] compared with 588 killowatt hou[rs] in the same period of 1935.

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Wages—Up or Down?

Theories in Conflict — One School Sees Prosperity by Distributing More Money — Another ¯ould Make Present Incomes Go Further

By JOHN DUKE

Recently in Toronto, C. H. Carlisle, most successful Canadian industrialist, discussed wages. He was quoted in the press as saying that what was needed was an all around reduction in wages and that the man who gets $2 a day and has to spend $2 a day, is as well off as the man who gets $7 a day and has to spend $7 a day to maintain himself and his family.

The press reports did not really reflect Mr. Carlisle's view correctly. That he was really referring to the larger problem of the expansion of Canada's export market and the need for a lowering of costs, in order that our export trade might increase.

Sees Advantages in Low Prices

He pointed out that low prices in foreign markets and political barriers have greatly decreased Canadian export trade. If domestic prices could be relatively lowered it would not adversely affect either the wage-earner or the producer, neither would it affect the distributor or any other branch of our industrial life, as the purchasing power of the dollar would be increased.

Mr. Carlisle is the man who built the Goodyear Tire business in Canada, achieving in that industry an enviable record for fair and generous treatment of labor. His additional responsibilities include the presidency of the Dominion Bank, the Great Lakes Paper Company and the Canada Bread Company.

A few days later, Wallace R. Campbell, president of the Ford Motor Company of Canada, spoke in Toronto. He also discussed wages in the course of his remarks and said:

"In spite of statements which have appeared in the press recently to the contrary, what we want in Canada is not lower wages, but higher wages, with high velocity of volume spending."

The average man would be excused if he interpreted these comments as a conflict of opinion between two great industrial leaders. The plea by one manufacturing chieftain for greater prosperity for Canada through the lowering of costs of production — including lower wages—and the reply by another such chieftain for greater prosperity through a policy of increasing wages, represent two opposing points of view on a question now coming to the fore again.

Mr. Carlisle and Mr. Campbell have focused public attention on the whole question of industrial wages. They have done so at a time when labor is poising itself for a concerted effort to have current wage scales increased, when consumers are beginning to feel the pinch of rising prices, when a National Employment Commission is seeking to remove some scores of thousands of idle from the relief rolls; at a time, in brief, when wages are news.

Many Gospels, Theories

On few subjects is so much ineffective and narrow debate carried on as on the subject of wages. There are many gospels and theories in conflict. The gospel of High Wages as a source of prosperity meets vigorous opposition from the gospel of Equilibrium between different groups of prices.

The recipe for prosperity through increasing purchasing power by distributing more money in the form of wages is met with another recipe for prosperity: increasing purchasing power by making present incomes go further.

And any sensible and candid discussion of the problem runs into a conflict between the realities of our present society and our sentimental aspirations for a theoretically perfect society.

There is still another cul-de-sac down which a discussion of wages can lose itself. It is in confusion as to what wages are and who ultimately pays them. An argument that seems overwhelmingly valid to the man who thinks of wages as a share of a fixed social income, will seem absurd to the man who thinks of wages as something to be adjusted to the point that will bring about the largest possible increase in income or wealth.

One man views wages as the industrial worker's share of the national income. In that light, there is bound to be a constant conflict between labor, seeking to enlarge its share of the income available, and other elements in society, such as the farmers, who will hold the view that if the worker gets more than his share others must get less.

This narrow view of a more or less static society is, of course, giving way to the broader view that there is not just so much cloth to be divided up, with each person having to cut his garment according to his share of that cloth; but rather that it would not be difficult to produce all the cloth that is needed to give everyone all the garments they would like. Unfortunately the recipes for ensuring the utmost production of cloth (or wealth) are as varied as they are plentiful.

Gets Leaders' Views

This discussion is not altogether academic, as will be seen. For the Financial Post has asked the views of a number of Canada's leading inustrialists on the subject of wages. And the replies received are enlightening. They reveal a desire by industry to pay the highest possible real wages, not for sentimental reasons, but for the good of industry itself. But they also reveal how difficult it is in actual practice to successfully ride two or three wage horses when the horses themselves seem to be anxious to ride off in different directions.

The wages horses that industrial leaders seek to ride are these, as revealed in their letters to The Financial Post:

1. To recognize labor's right to the highest wages an industry can afford to pay.

2. To keep industrial wages not too far out of line with the buying power of those who have to buy the products of industry—for instance, farmers at home or buyers abroad.

3. To find that level of wages which will produce the highest possible production and the widest distribution of the benefits of production — that is to say, the highest true level of living standards.

4. To ensure that the worker shall be the immediate as well as the ultimate beneficiary of power production, machinery and everything that industry can add to its efficiency and productiveness.

Canada has gone through several years in which wages have tended to decline. Actual wage rates have not fallen much, only about 10% compared to a decline in farm prices of over 50% and in the cost of living of over 20 per cent. Due to shorter hours and idle days the workers' income has fallen more than 10%, but the wages paid per hour or day during employment have not declined greatly.

As the cost of living has declined the fully-employed wage-earner is enjoying a real income higher than ever before in Canadian history.

Now, with the fall of prices arrested, with the cost of living showing signs of turning up (due more to taxes than any other single factor as yet). Labor is getting restless and is seeking restoration of wage cuts. The initiative in demanding higher w[illegible] taken by the leaders of the organized labor groups, which means by those who have suffered least—among all classes of workers —in the decline of wages.

Buying Power The Answer

The views of our industrial chieftains will be quoted in this and subsequent articles. But first let us cite the opinion of a man who sees the wage picture from all angles—as a large employer, as a larger buyer of manufactured goods, as a large seller to all classes in the community. He is a leading Canadian merchant. He feels the adjustment will be made simpler if certain simple principles can be kept in mind:

1. "That it is real wages that count: what any particular rate will buy. Comparisons of hourly or daily rates between different years mean little unless one translates the figures into buying power or standards of living.

2. "That wages can be increased as effectively by the reduction of the prices of finished articles as by putting more dollars into pay envelopes."

This merchant, who does not seek to air his views in public, is strongly of the opinion that the most potent stimulus to further recovery in Canada can still be had from lower prices and an avoidance of wage increases until the buying power of rural Canada and unorganized workers can be increased by making their limited dollars go further than they go today.

Spokesmen for the farmers of Canada echo this view. Canadian Countryman puts it concisely:

"If farmers are to be subjected to the law of supply and demand then the same rule should also prevail for urban labor . . .

"If wages had fallen in conformity with the fall in the price of farm products, the price of things farmers buy would have been reduced a whole lot more than it has, the purchasing power of the farmer's dollar would have been increased, they would buy more, factories would have had to produce more goods and they would have had to employ more men to produce these goods."

Speaks For All Classes

In making its statement the Canadian Countryman spoke for all classes in the community, as producers and consumers.

It will be observed that the merchant, a spokesman for the consumer and the farm editor, a spokesman for the primary industries, see no need for higher wages today and feel in fact that wages might come down further.

Let us conclude this article with a quotation from an eminent industrialist, who produces, in his line, a number of articles sold to farmers. He finds himself between two fires. The farmer criticizes his company for paying much higher wages than the farmer himself is able to earn on his farm. On the other hand, the company's employees present strong arguments for wage increases. This large employee sets forth his views as follows:

1. "I like to think of wages as the income of the wage-earner for the year, rather than the nominal wage paid by the hour.

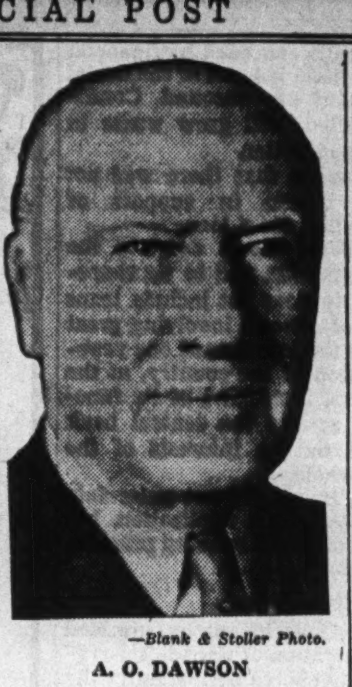
"Expressed in terms of annual income, I am desirous of seeing relatively high rather than low wages, but not necessarily high hourly rates, because high rates paid for short hours or for an uncertain term of engagement tend to high costs, which mean higher selling prices and, as a result, restrict buying at home and, frequently, wholly prohibit sales abroad.

2. "Wages should not be considered simply in one industry. They should be kept in reasonable balance with the income of other citizens in the community, one important member of which in this country, is the farmer. The moment wages in any one industry, expressed in hourly rates, become too high, there is a tendency toward increased costs, reduced buying, and ultimate unemployment.

3. "I have been glad to see the reduction in working hours that has taken place during the past 35 years. At the beginning of the century a working week of six 10-hour days was common. Today, in the industries of the type with which I have had experience, a working week of not less than 40 and not more than 50 hours is general. The best period seems to me to be about 45 hours, which, according to the needs of the industry, may be five days of nine hours each, or five days of eight or eight-and-a-half hours and Saturday forenoon.

"With this I should like to see reasonable continuity of employment and a wage rate that would give the worker a decent annual income without raising the cost of commodities too far beyond the reach of those less favorably situated. Such a policy seems to me best calculated to stimulate industry and reduce unemployment."

The views of other Canadian industrialists on the subject of wages will appear in subsequent issues.



—Blank & Stoller Photo.

A. O. DAWSON

Avon River Power Co. Calls Mortgage Bonds

From Our Own Correspondent

MONTREAL.—Avon River Power Co., controlled by Nova Scotia Light and Power Co., has given notice that on January 1 next it will call all of its outstanding first mortgage bonds. This redemption covers series A, B and C to a principal amount of around $940,000. A premium of 3% will be paid.

Official arrangements have not been made as yet, but it is understood a refunding operation will be carried out by Royal Securities Corp. on behalf of the company.

Thinks Businessmen's Aim Should be Maximum Wages

BY. A. O. DAWSON
President, Canadian Cottons Ltd.

It has always been the policy of the organizations in which I have any say to pay the highest wages the industry can stand. It means everything to have a happy and contented group of employees who are able to make a reasonable living for themselves and their famililes. In my opinion the problems of our industries are not going to be settled by the cutting of wages to such a point as will compel employees to lower their standard of living.

Staved Off Pay Cuts

In so far as this particular company is concerned, I would like you to know that we went through the early years of the depression from 1929 to 1933 without making a cut in wages of any kind. We knew the cost of living had gone down in that period but, hoping that business would revive earlier than it did, we continued to pay the wages that had been in vogue through the years preceding 1929. However, business conditions became so bad that on April 1, 1933, we were compelled to make a reduction in all salaries and wages of 10%. As that year progressed conditions improved a little and on April 1, 1934, we restored one-half of the cut and this standard of wages still prevails. It is our intention just as soon as we possibly can to restore the remaining half, thus bringing wages back to the old standard.

Hit by Tariff Cut

We would have restored this 5% cut in wages prior to this were it not that the last session of the Ottawa House the duties were reduced on cotton goods coming from Britain, which compelled us to cut prices to meet this competition, which with us is severe at all times. Then too, because of the new treaty made with Japan by our government we had to discontinue the manufacturing of certain lines of rayon goods. With the wages in Japanese cotton mills only about one-tenth of the wages we pay in our mills you can see that when we come in direct competition with the goods they make we simply have to throw up our hands. However, even with these handicaps we are hopeful that general conditions will improve sufficiently in the next few months to enable us to restore wages to their former level.

In general I think the objective of our businessmen in regard to the wage question should be about as follows.

It has been well said that "A workman is worthy of his hire." All those who contribute by their services to the production of wealth are entitled to be rewarded for these services. Wages in one form or another are their reward. The requisites of production are nature, capital, enterprise and labor. Being one of the indispensable factors, therefore, in production, labor merits its return, but, of course, cannot expect all the income from production. Earnings have to be equitably distributed between labor and the other agents of production.

The total amount paid in wages throughout the country will be generally determined by the volume of the flow of wealth, the relatively plenty or scarcity of the different agents of production and of different kinds of labor. In the personal equation, the more labor a man's energy, ability and training enable him to give, the higher wages he will usually command.

Now it is the total amount paid out in national wages to the whole body of workers for useful work done, which forms the buying power of the people. It is not the income of the classes with their limited needs, but the expenditures taken together of the many wage-earners with their varied needs, which make up the largest consuming market. The wage-earners of the country together control the major portion of the money spent on goods and services. They are in the last analysis the nation's purchasers.

It is clear, therefore, that wages are to industry, trade and commerce what the dynamo is to machinery. Wages make the wheels of our productive life move in slow, medium or fast tempo. It should accordingly be equally clear that to lower wages is to cut buying power.

As a manufacturer myself it is essential to have good wages paid throughout industry, or otherwise I cannot maintain or increase my markets. Manufacturing gains in proportion to the gain of the workman. The position of the wage-earner very definitely shapes the country's welfare.

For Higher Living Standards

I am therefore against any subsistence, or what is termed "iron" theory of wages, which lays down the principle that the natural level of wages should be just that much which will allow the worker the bare means of existence. Rather do I favor raising living standards and increasing the productivity of labor. Out of this increase in the national dividend will come a corresponding increase in the amount paid to labor.

As businessmen we would do well to aim not at a minimum but at a maximum wage.

Exports of Newsprint Move Ahead in September

MONTREAL.—Export of Canadian newsprint during September amounted to 5.5 million cwt., valued at $9.7 millions. This was in contrast to 4.2 million cwt., worth $7.2 millions last year.

Exports of wood pulp and screenings during September amounted to 1.4 million cwt., compared with 1.1 million for the same period last year. The values were $2.9 millions and $2.2 millions respectively.

Travellers

John D. Bower, recently elected president of the Edmonton Chamber of Commerce, and executive of Bower Bros. Ltd., wholesale dry goods firm, is on a business trip to Montreal.

* * *

L. R. Green, Montreal, representative of the W. C. Macdonald Tobacco Co., recently a visitor in Edmonton and Calgary, is en route to the Pacific Coast. He told Edmonton interviewers that retail tobacco business has greatly improved recently in Canada.

* * *

G. S. Brownell, formerly of Moncton, N.B., has arrived at Melville, Sask., to assume the management of the new creamery and poultry packing plant of Swift Canadian Co., formally opened by Melville civic officials last week.

* * *

Arthur B. Wood, Arthur Pedoe and G. W. Bourke have returned to Montreal from Greenbrier, White Sulphur Springs, Virginia, where they attended the autumn meeting of the Actuarial Society of America.

* * *

Frederick Hammond, editor of the Fortnightly Review, London, England, told Edmonton interviewers last week that England's present stable position is due in large measure to the "much misunderstood" dole. He is making a general survey of the Dominion, studying economic and business conditions, en route to Vancouver.

* * *

Robert Murray, director, and R. W. Leckie, secretary-director of the Scottish Co-operative Wholesale Society of Glasgow were visitors in Edmonton last week, conferring with the provincial cabinet over the possibilities of developing a barter arrangement between Alberta and Scottish co-operative societies.

* * *

H. E. Sellers, Winnipeg, president of Alberta Pacific Grain Co., a director of the Imperial Bank of Canada and the Great West Life Assurance Co., visited Calgary last week to attend the annual meeting of Alberta Pacific Grain Co. Also present were Lawrence Killam, Vancouver, H. W. Webster, of Winnipeg, western manager of Royal Securities Corp., and Cecil Lamont, Winnipeg.

* * *

Saunders Norvell, of New York, chairman of the National Federation of Sales Managers, in Toronto last week, addressed the Advertising and Sales Club of Toronto on "The Human Side of Selling."

* * *

A. Kearsley, lumber buyer from Liverpool, England arrived last week in Saint John, N. B. aboard the Princess Helene from Nova Scotia. He told reporters he had contracted for a large amount of lumber from the Canadian Maritimes to be used in England, mainly for house construction.

* * *

W. R. Manier, president of Rotary International arrived at Montreal last week aboard the Cunard White Star liner Aquitania, from England.

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TORONTO, NOVEMBER 7, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets, achieved through economies and not by new taxation.*
2. *A "pay-as-you-go" policy in public spending.*
3. *Abolish politics in the C. N. R.*
4. *The merit system in the public service.*
5. *Integrity in meeting public obligations.*
6. *Freer foreign trade through Empire preferences and foreign treaties.*
7. *Stable tariffs for balanced development.*
8. *Stricter laws to protect investors.*
9. *An even break for Canadian national newspapers and periodicals.*
10. *A modernized constitution.*
11. *Re-employment through private effort.*

11. Re-employment Through Private Effort

THE world over, business is on the mend. Unemployment is dwindling. The figures may not fully reveal that fact because "can't works" and "won't works" pad the lists of unemployed in all countries.

In Canada, business is advancing month by month. Each day more men and women are going back to work. In some fields there is already an impending shortage of skilled men. Rapidly we are approaching the time when the real unemployment problem will be not how to create jobs for people so much as how to wind up relief—a hard task because of the political momentum that relief has generated—and to place people in the jobs that will be available.

Political management of relief, particularly the local administration in the larger cities, must be ended before true self-reliance can be encouraged among the people. Public works, designed to "create" jobs, must give way to construction and other business activities inspired by returning confidence and undertaken by private business and individual citizens in the hope of reward for their work.

Governments cannot create work for everyone except at unbearable cost. Governments can no more swallow unemployment than a man can swallow himself. Private business can create new opportunities and do it better and cheaper.

This principle is uppermost in the policies of the National Employment Commission. Such plans of encouraging and assisting private re-employment are of two kinds. There are policies which lead to permanent benefits by the removal of existing handicaps. There are those which involve the bonusing of private firms at public expense. The latter form a temporary and transitional link between the public spending policies of the depression years and the private spending period that must follow if wages-for-work are to be earned by all employable citizens.

The penalty of governmental public works programmes to create jobs is that they create huge debts which must be carried by heavy taxation. The effect of this taxation is to burden business, to discourage initiative and to damp business confidence. New jobs "created" by governments are bought at the cost of destroying job-making possibilities in private business.

In the depths of the depression many persons lost their old faith in individual effort. It became the popular thing to look to governments for control of economic life, for subsistence handouts to those who wanted them, for jobs for the jobless. But governments, it is now revealed, have no magic formulae, no bottomless purses, no assets or powers other than those of the people themselves. Today there is a return of faith in more fundamental ideas. We are getting back our social stamina.

It is as people go back to work, as one line of business after another opens up through natural means, that the depression problems will lift. Equipment wears out and goods are consumed. They have to be replaced. Houses, clothes, automobiles, and machinery go out of style or are rendered obsolete by scientific minds planning newer and better ones. All this means new wealth, new incomes, new ways of living, new jobs to be filled. Governments do not produce these things; individuals do.

The basis for renewed and continuing prosperity has been surely laid. Two things are needed, above all else, to ensure a speeding up of recovery and of re-employment. One is growing confidence; confidence that business plans can be made without the threat of new political sabotage; confidence that reasonable returns may be garnered without confiscation, that investments will be safe and will be allowed to earn fair wages.

The second need is a developing spirit of self-reliance in individual citizens; a tendency away from leaning upon government for favors or for the means of life; a willingness to work and live out one's own destiny in a land that is still a land of opportunity.

Discipline for Independence

THE principle of collective responsibility in cabinets is often carried to absurd extremes.

A cabinet may be torn into factions and yet, when it has—perhaps by a close vote—agreed upon a policy, every member of the cabinet must fight for that policy as though it were his most earnest conviction and belief.

At the same time every member of the House or legislature sitting on the government side is required to support the policy. If he speaks or votes against it, he is likely to be disciplined as were Liberal members in Ontario, who voted against the Separate Schools bill, and Montreal members at Ottawa, who opposed Mr. King on his National Harbors bill.

To carry the absurdity further the opposition leader expects each of his followers to criticize and oppose every move made by the government. If a government policy is, in some rare instance, supported by the opposition, the support must be explained by accusing the government of having stolen one of the opposition's planks. Even then the traditional technique is to indicate that, in stealing the plank, the government has got the opposition's policy twisted up and has thus spoiled the effect of it.

In Dominion affairs, when the Commons passes a bill and it goes to the Senate, the prime minister expects the "government" members in the Upper House to give it full support. The Senate was never created with the intention that it would be a partisan body but as an instrument for the effective review of legislation.

It would make for better government and greater honesty in political life if the tradition were re-established that members of Parliament and of provincial legislatures were entitled to vote according to the dictates of their good judgment and their conscience instead of under the rigorous direction of the gentlemen who are so well called "whips."

It would not bring the structure of democratic government tumbling into ruins if an occasional cabinet minister differed with his fellow members in public.

It would not wreck governments if some of their followers were to vote against "government" measures or if opposition members were to support them.

And it would undoubtedly make for sounder administration in Canada if members of the Senate could be induced to forget the fact that they once were party men and were to give independent consideration to the measures coming before them.

Good Bank Practice

CLAIMS made by F. B. Housser, financial editor of the Toronto Star, that the refusal of the Bank of Canada to make a loan of $3.5 millions to enable Alberta to meet its bond maturity raises a constitutional question, are utter nonsense.

Mr. Housser in an article in the Oct. 29 issue of the Star stated that there are only three possible, legitimate reasons that can be cited for the Bank of Canada's refusal. The first is if the province is unable to meet the requirements for such a loan laid down in the Bank of Canada Act. The second is if the loan would not be a safe financial risk. The third would be lack of trust in the good faith and financial policies of the provincial administration.

The central bank is empowered to make loans to provinces under two sections of the Bank of Canada Act. One provides for six-month advances against the pledge of readily marketable securities. The other provides for loans up to one-quarter of the government's estimated revenue for the fiscal year, but requires repayment within three months after the year end. Into both sections may be read the requirement that the borrowing government be a good financial risk.

Taking Mr. Housser's objections in turn, The Financial Post suggests that Alberta bonds and treasury bills can hardly be called "readily marketable." It would be impossible to liquidate a block of bonds of the size that would be required as collateral for a loan of $3.5 millions. Mr. Housser has only to consult any bond dealer or any of the chartered banks to determine how marketable are Alberta securities.

Secondly, Alberta is not a good financial risk. Any province that has arbitrarily cut its bond interest, that is in default in principal on its bonds and has repudiated private mortgage contracts is a very poor financial risk. The fact that Alberta bonds are selling at a discount of from 30 to 40% is undeniable evidence of the risk . . . the Elliott-Walker report showed the province to be economically and fiscally solvent, but this cannot be taken as a criterion of the risk . . . the character of the government is a most important factor in its credit.

Thirdly, there is widespread lack of trust in the good faith and financial policies of the Alberta administration. Legislation passed by the Alberta government indicates that contracts in that province are little more than scraps of paper . . . the government might conceivably repudiate further obligations.

What assurance has the Bank of Canada that Alberta will be in a position to meet the loan maturity in less than a year's time? Unable to meet its bond maturities on April 1 and Nov. 1, there is no reason to believe that it would be able to repay a bank loan of $3.5 millions a few months hence. It is generally conceded by financial experts that the fiscal policies of the Social Credit Government are unsound. Conditions, it is expected, will grow worse in Alberta rather than better.

Thus, it is obvious that there was not one legitimate reason in support of Alberta's application for a loan.

The central bank has a duty to the people of the Dominion and to its shareholders. This duty does not include loans to the Province of Alberta involving great risk. Furthering the interests of one province, or one section of the country, at the expense of others, is no part of its function. In all its actions the central bank must be guided by the interests of the Dominion as a whole.

Constitutional issues did not enter into the rejection of Alberta's application, but rather questions of sound banking practice.

Eyes Front

THE Federal Government has decided that the liquidation of Canada's carry-over wheat will not solve permanently the marketing problem for this commodity. It is looking to the Turgeon Royal Commission for new light on this important matter. Finding an outlet for a surplus which has grown steadily in the last eight years, despite low normal crops, has been a big step forward. But it is only one step, simply a clearing of the bins before the arrival of the first big crop since 1932. Such a big crop may not come next season, but with no 400 million-bushel harvest in Canada since 1932, certainly the time is drawing near when abundant yields may be expected, not only in Canada, but also in U. S. A.

The stage is already being prepared. United States farmers have just seeded close to 15 million acres of fall wheat or the largest in almost 20 years. This type of wheat usually accounts for two-thirds the total production in that country. Even allowing for the customary winter and spring killing of 12%, the remaining area is easily capable of producing a total crop of well over 800 million bushels under favorable weather conditions.

With only an average spring crop of 240 million bushels added to this there would be a grand total production of all wheat for United States of around 1,050 million bushels. This would be 400 million in excess of domestic requirements. Seldom is there a combination of good yields from the two types of wheat in the one season, but it is possible. And certainly a total crop of 900 millions or 250 millions above normal domestic requirements is not uncommon.

Anything like such a yield, of course, would immediately reverse the recent rôle of United States as an annual importer of nearly 50 million bushels of Canadian wheat. A surplus of 250 millions in that country might have to be added to Canadian supplies, and a market outside of North America have to be found for considerably more than double this continent's net exports in either of the last two crop years.

True, above average yields in North America next summer may be offset by lower returns in other parts of the world. During the cycle of poor crops on this continent, grain growers in Europe for instance, harvested high returns. But in any case strong sales pressure will have to be exerted by Canada. Every possible market for both low and high-grade wheat may have to be explored and possibly new commercial uses developed.

So long as Canadian prosperity so largely depends upon wheat we must remain vitally interested in every possible market for that commodity. The coming wheat enquiry might well concentrate its activities in this forward direction rather than spend too much time in political delving into what is now history.

Editorials in Brief

Says the Yarmouth, N.S., Telegram:

"The Financial Post is the latest journal to add a comic page. It now has Steve Leacock doing some belated Whisper of Death stuff, with special attention to the Railway Menace."

The "Whisper of Death" articles were published by The Montreal Star in 1923, and pointed to the seriousness of the basic problems that the war left Canada. They urged more economical administration of national affairs and demanded that the publicly-owned railway be taken out of politics.

The most striking thing about the "Whisper of Death" articles is not funny at all; merely tragic. It is that the advice they gave was sound but was not taken. Today Canada bears a colossal burden of debt because of political spending on railways.

The Star's warnings went unheeded in 1923 when many newspapers jeered at Lord Atholstan for publishing them.

And, as the Yarmouth Telegram item makes all too clear, there are still people in Canada who think that railway losses amounting annually to $50 per family are just too funny for words.

Sayings of the Week

"I shall yet lead India to freedom."—*Mahatma Gandhi.*

* * *

"What we need is less politics and more economics."—*Mayor Fiorello La Guardia of New York.*

* * *

"Not for one moment can you imagine the Fascist countries arming to the teeth for no purpose."—*Lord Rothermere.*

* * *

"Mentally, some men and women never grow old, no matter how many years they have to their credit."—*William Lyon Phelps.*

* * *

"The depression, with its sacrifices but also with its lessons, seems to be moving into the background."—*William E. Borah.*

* * *

"Obsolescence can affect parts of the machinery of government just as it does the machinery of industry."—*Amelia Earhart.*

* * *

"Direct taxation which 30 years ago was supposed to have reached the breaking point seems today merely amusing."—*Sir Josiah Stamp.*

* * *

"No one is satisfied with any system of planning which stops the production of what people want to eat and wear. Restriction or destruction violates our sense of ethics and economics."—*Bernard M. Baruch.*

* * *

"After 8 months of operation we are able to say that the results of the trade agreement with the U. S. have been successful beyond our most sanguine expectations."—*Hon. J. L. Ilsley, Minister of National Revenue for Canada.*

—*Drawn for The Financial Post by R. Kaell.*

ALBERTA'S STORK DERBY

Textiles and the Public

Stylewear Review

The majority of Canadian textile manufacturers are shown by the Royal Commission investigation to have enjoyed a reasonably good measure of prosperity over a period of some years. From comparatively small initial investments, several companies have expanded rapidly and have done well by their owners and holders of their securities.

Evidence brought out before the Royal Commission has revealed the efforts of manufacturers in the hosiery, knitting and woollen fields to exchange data, with the idea of bringing about uniformity in credit and delivery terms, disposition of excess stocks and limiting production where thought desirable in the interests of price stability. It was revealed that agreements have been made between manufacturers in the same line of business to effect economies and avoid the usual costly excesses which characterize cut-throat competition.

No Fault With Profits

Wide publicity has been given through the press of Canada, to the evidence brought out before the Royal Commission, and perhaps one of the chief reactions has been amazement among a large section of the retail trade and public, that such profits have been made by many textile manufacturers, despite the common acceptance of the view that this industry has been downtrodden and abused for many years. Representations to governmental bodies concerning tariff adjustments by trade organizations have no doubt helped create that impression.

Few persons will find fault with the fact that industries are able to operate on a profitable basis and maintain employment. Competition generally precludes the making of excessive profits. When industries are given such protection, and allowed to get together for the exchange of information to assist in effecting economies in production, they should be sufficiently magnanimous to do the right thing by their employees. If they are astute, they will see that they make their contribution to the preservation of healthy conditions by compensating employees in a fair manner.

Short on Foresight

Several of the leading manufacturers, notably the largest ones, in the textile field are open to little or no criticism on the score of wages and hours of employees. It is also a fact that these firms have shown foresight in another direction which is sadly lacking among the majority of the textile manufacturers. This is in the matter of consolidating their position by an aggressive programme of business promotion. It is one of the greatest weaknesses of group organization such as has been revealed in connection with the various textile manufacturers, that anything in the form of business promotion is regarded as unnecessary expense, because of the virtual monopoly which such concerns feel they have. With tariff protection to head off competitors from abroad, and with practically all kindred Canadian producers willing to get together, compare notes, control production and agree on trade practices designed to eliminate profitless selling, they feel they can forget about business promotion. This smug indifference to the rudiments of successful business operation has been the basis on which many such organizations have foundered, and nothing threatens the future of the Canadian textile industry quite as much as this attitude on the part of many of the companies engaged therein.

Goodwill Position Weak

The better the working conditions and the profit-making possibilities of any industry, the greater is the danger to its successful continuance. Changing tariff policies, the pressure of competition between different industries and between the individual members of any one industry, are elements always at work seeking to break up such a happy condition as the Canadian textile industry has enjoyed for some years. That is inevitable in any line of business, and the soundest policy is to take steps to make sure of the future by consolidating the present position. Most Canadian textile manufacturers have been woefully weak in consolidating the position of their trademarks with Canadian buyers of merchandise and in creating goodwill among buyers.

Unfortunately for most of these manufacturers, there is a common impression that they largely represent an aggregation of over-fed, over-perfected concerns which have grown fat on the riches of the land. No matter how much or how little truth there is in that viewpoint, it is a fact that it exists, and it exists in connection with all highly organized industries where aggressive business promotion policy has been discarded. There is always a tomorrow for such groups, when, shorn of former advantages, they are compelled to seek business on equal terms with a new set of competitors. Astute businessmen never lose sight of that fact.

Organize for Merchandising

Organization is a splendid thing when it brings about harmonious working conditions among affiliated groups; when it results in an exchange of useful information and the establishment of trade standards which effect economies and eliminate cut-throat selling. But the point on which the textile industry (with the exception of a few of the largest firms) is most vulnerable at present is that it has neglected, since it became highly organized, to promote its interests among the merchandise buyers of this country. Some day it may awaken to the fact that it has lost many more dollars than it has saved by this policy.

Life Tomorrow - - -

By A. W. ROBERTSON

Of the Westinghouse Electric and Manufacturing Co., speaking at a round table conference of national distributors in Boston.

I am tempted to throw out a few suggestions of what we may hope for in the future . . . Within the next few years all unhealthful air will be purified. That is, we are going to undertake to purify our air just the same as we pasteurize our milk and purify our water and food.

The size of commercial airplanes will increase by leaps and bounds within the next few years. Our present immense airplanes will look tiny in comparison.

Will Keep Moving

Further development of good roads and automobiles in the form of compact little houses will induce our people to become nomadic in habit. In the course of time people will develop migratory instincts like the birds. In the fall the skies and the roads will be black with the hordes of people going to the sunny southland for the winter; and in the spring with the geese, the blue birds, and the robins, nomadic man will come north again to spend the summer.

Our food will gradually become so different that we will hardly recognize it. Everything we like will be available the year around.

Radio will become largely individualized, so that for a little extra money separated families may talk to each other when and as often as they please.

End to Noise

Cities will continue to be the focal point of admiration and of despair. They will be practically noiseless. They will be intersected by great boulevards of fast-moving traffic. Double deck streets will be common. It is possible that our buildings in cities may be flat, so that by the use of a simple lifting device automobiles may be taken off the streets and stored on the tops of buildings.

None of these things is very revolutionary; but to a certain extent, they will change our habits and our standard of living. And deeply basic change is beyond anyone's vision. However, we may be certain that science will discover new ways to heal and save, new ways to kill and destroy, and out of it all we will have new joys and new sorrows.

Message to Buyers - - -

Hardware and Metal

In these days when attention is centred on eliminating waste, it is timely to give some consideration to the waste and loss involved through the actions of some buyers.

This subject has been mentioned from time to time in these columns, but it has been raised recently by several business executives who have salesmen out calling upon the trade for business. These men are not asking for favors, but they are keen enough to realize that the practices which have developed among certain buyers are adding tremendously to the total cost of business and everyone is paying the shot, including these buyers.

It may be that during the last few years some retailers have been operating with such short staffs that they have been unable to give the usual attention to manufacturers' representatives. On the other hand there are those who have the time, yet are inclined to take a rather high-hat attitude and do as little as possible to help the travelling representative plan his time to best advantage.

There is this to be said in the defense of some retailers, however, that there are salesmen on the road whose product or service is of no possible interest to the retailer, and these men become pests because of their persistence in attempting to take up a merchant's time.

These men are not to be confused with the representatives of creditable organizations. The latter have a message which live merchants can use to advantage, and buyers are helping these men work on schedules that will minimize the amount of time wasted in waiting around.

So This Is London

New York Times

There are cities and cities in London. One of the last lessons to be mastered — if ever — by the American branch of the English-speaking peoples will be London, its cities, Cities and Councils. The text for these remarks is a brief Canadian Press dispatch about "the first woman to seek election to the Common Council of London."

That statement must have been at first sight puzzling to a good many readers. The London County Council is a famous body, having in charge the affairs of perhaps 5,000,000 Londoners. But it is also well known that women have played a conspicuous part in the work of the London County Council. A few years ago Ishbel MacDonald was a member.

Their Divers Cities

But that Canadian Press dispatch was correct. It did not say the London County Council but the Common Council of London. It was not speaking of the city of London of 5,000,000 people under the County Council, or the city of London with perhaps 8,000,000 people under the Metropolitan Police, but the City of London having in the 1931 census a population of exactly 10,996.

This is the historic City of London with its picturesque equipment of Lord Mayor, Aldermen and Sheriffs, from which Lord Mayor the King of England must obtain permission before crossing the frontier of the City at Temple Bar. Lord Mayor, two Sheriffs, two dozen Aldermen and a Common Council of about 200 members preside over the destinies of an adult population of perhaps a couple of thousand at night. But by day the population of the City of London is perhaps several hundred thousand, for the City of London is the financial district of London. The city editor on a London newspaper is the financial editor. What the City thinks in English corresponds to what Wall Street thinks here; except, of course, that to British ears there is no sinister meaning about the City.

London City Trades

As for the Lord Mayor of London, he is elected, in true cluttered British fashion, by the Aldermen from 2 candidates placed in nomination by the Liverymen. These are the famous Livery Companies or City Guilds, and they have about 10,000 members, very few of whom have their homes in the City of London. They commemorate the ancient trades, crafts and professions.

Thus it may be that when Hamlet called Polonius a fishmonger he was not using a term of opprobrium. Among the 12 "great" London Companies the Fishmongers stand 4th in order of precedence, yielding place only to the Mercers, the Grocers and the Drapers. Not all the 275 members of the Fishmongers Company are in the fish business. There are 400 members of the Lorimers, who are supposed to make small hardware for harnesses. There are about 100 each of Saddlers and Pewterers, about 75 Patternmakers, which means wooden shoes or clogs, and 180 Spectaclemakers.

But it may very well be that most of the 500 members of the largest guild, the Stationers and Newspaper Makers, are connected in some way with the business of making marks with ink on paper. People differ as to who wrote Shakespeare's plays and when, but every schoolboy is familiar with the phrase "Entered at Stationer's Hall."

As Others See Us . . . . .

More Money For Wages
Stratford Beacon-Herald

The balances of the profit and loss accounts of most Canadian corporations have been on the debit side in recent years, and it is encouraging to note that this has been decidedly reversed during the past year. Federal income tax returns from April 1 to the end of September, 1936, show an increase in profits of Canadian companies of approximately 30 per cent in 1935. According to figures published in The Financial Post.

Prosperity depends largely on industrial profits and the "surplus" income of individuals. Unless a company is making profits it will spend only what is necessary; but when it is making money it can afford to increase wages and buy and improve equipment, all of which in turn brings better times for others.

Bondholders Are People
Fort Erie Times-Review

It is a favorite myth in some quarters that the slashing away of interest charges hurts chiefly the "big fellows" who are able to stand it. The Financial Post's published list of Alberta bondholders is therefore instructive reading.

The myth of the "big fellows" being the ones who principally suffer from defalcations dies hard. But it is indeed only a myth. For the obvious truth is that government and municipal bonds are held mainly for the benefit of the comparatively poor, who are dependent for livelihood on their small allowances from pension and other funds. It is at these helpless people that the Aberhart Government of Alberta is striking.

Other People's Views . . . .

Has a Big Name Anyway
Bookseller and Stationer

Reports appear in the press of an address given recently in Sarnia, Ont., by Capt. W. C. C. Innes, of Toronto, identified with an organization known as "The Commercial Bureau of Canada." He tells of the great burden of taxation and states that the average businessman is desperate. He urges consolidation of western provinces into one unit and those of the east into another; unification of the two railway systems under private management, one income tax for the whole of Canada, and the taxing of public utilities in the same manner as private corporations.

In view of the sweeping nature of the recommendations and the fact that this organization apparently takes upon itself the responsibility on behalf of the businessmen of Canada, it should in its own interests provide information as to its membership, officers, sponsorship, aims and objects. These are times when people want to know for what interests certain organizations are authorized to speak, and there appears to be considerable ignorance among businessmen as to just what is represented by the Commercial Bureau of Canada, what its policies and objects are and who comprises its membership.

A Misunderstood Major
Winnipeg Free Press

Caustic comment on Canadian affairs from Major C. H. Douglas's weekly paper, "Social Credit," published in London:

"Fired by the success of the use of Social Credit as a vote-catching label in Alberta, twenty candidates adopted it in the recent provincial election in Manitoba. Probably few, if any of them, understand the financial technique of Social Credit; but like those using such labels as Tariff Reform, National Government, Socialism or Nationalization of the Means of Production in this country, they thought it good for vote-catching. They were right to some extent, for 5 of them were elected, and will now draw salaries as members of parliament. That's party politics, that is!"

There is only one thing wrong with that comment. It is certainly true that the Manitoba Social Credit candidates did not understand "the financial technique," but who does? When Major Douglas had an opportunity to advise the first Social Credit government in the world about how to work his scheme, he stayed 5,000 miles away. The truth is that nobody can or does understand the theory and the technique because they do not make sense.

Big Field For Business
Hardware and Metal

A marked stimulation in the sale of hardware, paint, varnish, plumbing, heating, sheet metal and allied lines should follow the introduction of the new home modernization loan scheme.

As from November 1, the banks have in full swing the facilities by which home owners may borrow money for the purpose of buying the necessary materials and services to improve their premises. The city of Windsor, Ont., got the lead on other municipalities by having the plan in effect since October 17, and Windsor hardwaremen and paint men are taking an active part in promoting the plan. They feel there are distinct potentialities involved.

Success will attend the new loan scheme only if hardwaremen and painting contractors make a definite effort to stir up business. There is a tremendous field of opportunity. The government has set aside $7,500,000 for its guarantee fund, which, representing 15%, means there is a potential market for $50,000,000 worth of home modernization work. After several depressed years in that field, this protest should prove sufficiently stimulating to justify the aggressive action of every member of the hardware and paint trades.

Stop Me If You've Heard This One . .

The genius of a local man had carried him to big success in business without much aid of education.

He was asked to distribute the prizes at a school, and made the usual speech of good counsel.

"Now, boys," he said, "always remember that education is a great thing. There's nothing like education. Take arithmetic. Through education we learn that twice two makes four, that twice six makes twelve, that seven sevens make—and then there's geography."

Week in Business

Estimate 16% Increase In '36 National Income

Construction Only Group to Show Decline, According to Bank Figures — Decline in Jobless Greater Than Employment Gain

A gain of 16% in the national income of Canada during 1936 is forecast in the October letter of the Royal Bank. Using The Financial Post Business Year Book figure of $4,086 millions as the estimated national income in 1935, the bank puts the 1936 figure tentatively at $4,656 millions which it states is between 80 and 85% of normal.

Compared with the last year the relative improvement in different groups tells clearly the record of business and economic activity in Canada this year. Thus returns from forestry show a 26.4% gain to $250 millions; mining is shown higher by 19% at $370 millions; agriculture is up 16% to $800 millions and manufacturing up 10.7% to $1,475 millions. In the field of service an improvement of 13.9% is indicated bringing that figure to $1,746 millions. Fisheries are shown higher by 9.5% at $40 millions and trapping up 1.8% at $8.5 millions. The only decrease is in construction which is placed at $100 millions, a drop of 5% from last year.

* * * *

Back to Normal?

Comparing these returns with the so-called "normal" year of 1926, the bank finds mining income up 50% in the nine-year period and the income of the electric power industry approximately double that of the base year. Manufacturing is about the same but in agriculture the drop has been almost $600 millions. Value of new construction is but two-fifths of normal.

Obviously important changes have taken place in Canada since 1926 but the bank finds that while population has increased 19% the price level has shrunk about 22%. These two factors offset each other and a direct comparison of gross dollar income is deemed a comparison of purchasing power in the two years.

"Upon examination of the figures as a whole," says the bank, "it is clear that the reduced buying power of the farmer is the largest adverse factor in the present situation. In order to restore a more normal balance between the movement of farm products to the city and to foreign markets on the one hand and movement of manufactured products to the farm on the other, it is essential that the farm income shall be sharply augmented."

* * * *

Jobs and Jobless

Side by side from Ottawa last week came two sets of figures which always cause wide controversy whenever they appear. On the one hand the October bulletin of employment showed the official index moving into the new high ground since Nov. 1, 1930. The gain for the month was the largest recorded in any month this year.

The most marked gains were in manufacturing and logging, both of which showed greater expansion for this time of year than in any other year for which there is a record. Mining and trade were also sharply higher while in most industrial groups there was improvement. The trend at the beginning of the month was upward in Montreal, Toronto, Winnipeg, Hamilton and Windsor. In Quebec and Ottawa there was little change while activity was slightly lower in Vancouver. Considerable gains were shown in the Maritimes.

The other figure was an eight-months report from the Department of Labor on relief and unemployment. These returns go only as far as July and with the exception of August figures will be the last to be published in this form. After September the new basis compiled by the recent census of unemployed taken by the National Employment Commission will be used.

The one interesting fact from these figures is that July, 1936, returns of total persons on direct relief (1,063,546) are 6% lower than corresponding figures in the same month last year. Comparison of employment figures shows the gain in workers for that period was slightly lower or between 4 and 5%. The change for the better in jobless figures, compared with corresponding figures in the previous year, began last fall but has not been consistent. The improvement has gained impetus, however, since May of this year.

Favorable

Construction contracts awarded in October nosed ahead of corresponding figures for 1935 by a small margin. Feature of the increase was the sharp gain in residential building which took up all the slack caused by falling off in wharf, harbor and other engineering contracts.

Bank debits and employment both recorded good gains.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Oct. 17)	55,182	56,285	1,964,701	1,889,968
C.N.R. gross earn. (Oct. 21)	$ 4,319,013	$ 3,949,698	$ 147,056,740	$ 137,150,437
C.P.R. gross earn. (Oct. 21)	$ 3,205,000	$ 3,161,000	$ 109,536,000	$ 100,909,000
Business Conditions—				
Weekly index D.B.S. (Oct. 24)	▲111.8	97.1	......	......
MONTHLY DATA				
Business Conditions	1936	1935	1936	1935
Financial Post index (Sept.)	113.7	105.0	......	......
Transportation—				
C.P.R. net revenue (Sept.)	$ ▲3,422,884	$ 3,290,218	$ 11,827,468	$ 11,386,758
C.N.R. net revenue (Sept.)	$ ▲2,962,637	$ 2,291,230	$ 6,205,461	$ 6,134,560
Iron and Steel (September)—				
Pig iron production (tons)	51,892	54,360	465,785	419,064
Steel ingots and castings prod. (tons)	86,077	90,952	818,734	647,704
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Sept.)	3,120	2,593	75,806	69,844
Factory output (Sept.)	2,481	3,819	100,088	109,204
Trucks and Buses:				
Domestic sales* (Sept.)	1,431	1,436	17,720	15,580
Factory output (Sept.)	2,174	1,504	25,650	28,205
Exports (Sept.)	3,305	3,798	40,143	51,875
Construction—				
Building permits (Sept.)	$ 3,644,560	$ 3,331,915	$ 29,433,327	$ 36,680,796
Contracts awarded (Oct.)	$ ▲14,957,200	$ 14,925,100	$ 142,628,800	$ 147,649,300
Newsprint (tons)—				
Production (Sept.)	269,782	223,892	2,303,725	1,978,614
Exports, tons (Sept.)	278,368	208,911	2,130,286	1,812,786
Sugar (lb.)—				
Melting & sales‡ (raw)	101,765,672	73,677,075	682,558,745	629,971,194
Manufactured‡	101,692,741	74,056,391	661,109,373	624,681,003
Flour (bbls.)—				
Production (July)	1,300,667	991,559	7,828,026	6,134,106
Wheat flour exports (Sept.)	378,318	395,640	3,502,123	3,410,379
Trade—				
Retail trade (index no. of sales) (August)	75.1	69.6	......	......
Imports (September)	$ 52,982,972	$ 44,689,463	$ 450,866,373	$ 403,036,316
Exports (September)	$ 89,582,298	$ 78,845,842	$ 692,626,389	$ 572,090,421
Wheat exports (bush.) (Sept.)	20,720,319	17,272,672	162,377,678	93,134,112
Employment, D.B.S. Index (Oct. 1)—				
All industries	▲110.1	106.1	......	......
Manufacturing	▲109.0	103.3	......	......
Electric Power Output (Sept.)—				
Total monthly m.k.h. (000's omitted)	2,041,679	1,919,213	18,522,713	16,942,004
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (September)	160,586	112,413	1,137,508	968,046
Boot & shoe prod., pr. (Aug.)	2,002,895	2,153,955	14,711,557	14,546,387
Crude petrol. imp. gal. (Sept.)	134,048,094	127,017,748	879,146,923	848,026,505
Cotton imports, lb. (Sept.)	9,262,674	5,856,786	91,796,165	82,848,832
Raw rubber imp., lb. (Sept.)	5,361,220	3,593,662	43,533,953	42,791,974
Coal imports, tons (Sept.)	▲1,400,529	1,427,277	9,404,443	9,525,263
Finance—				
Bank debits (Sept.)†	$ ▲3,133,564	$ 2,425,895	$ 25,893,227	$ 22,684,735
Bond sales (Sept.)	$ 176,936,250	$ 194,626,102	$1,009,845,746	$ 651,566,437
Life insurance sales (Sept.)	$ 26,966,000	$ 26,696,000	$ 272,310,000	$ 267,260,000
Automobile Financing (Sept.)—				
Used cars	$ 1,865,791	$ 1,377,752	$ 20,161,756	$ 14,672,215
New cars	$ 1,885,754	$ 1,428,316	$ 24,544,783	$ 18,785,250

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to October 3.

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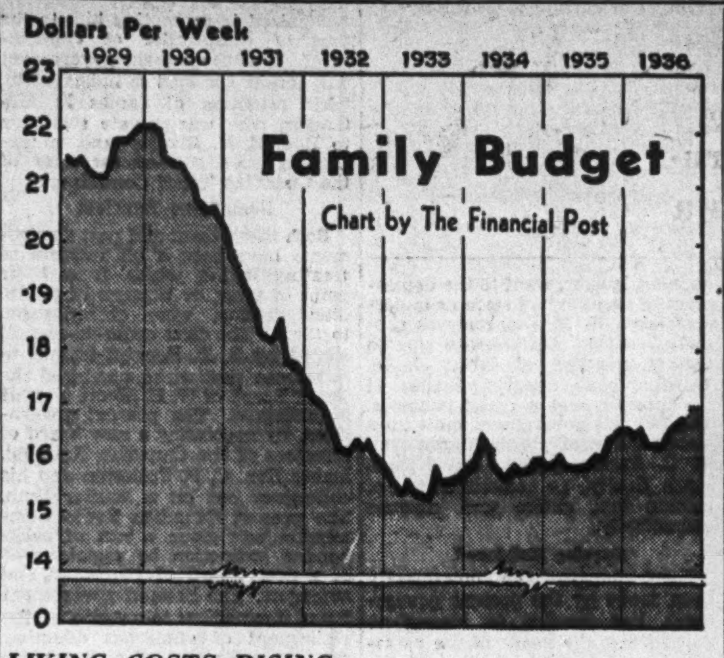

LIVING COSTS RISING

The weekly cost of the budget for a family of 5 as computed by the Department of Labor at Ottawa moved into new high ground last month at $16.84. This is the highest point since April, 1932, and is a gain of 9% from the low point of the depression.

The budget is based on average prices of 29 staple foods, fuel and rent, for which statistics are available. Gas and electricity are included in the quotations for fuel and light. No allowance is made for the cost of clothing and sundries. It is estimated items included in the budget take about two-thirds or 65% of the total income.

Background of Business

Higher Food Prices Boost Living Costs

Civic Totals Show Sudbury Costs Highest With Edmonton and Ste. Hyacinthe at Low End

Reflecting largely the increased prices of food products, the cost of living as estimated by the federal Department of Labor has shown steady advance in recent months.

Comprising weekly food, fuel and rent outlay for a family of five, the most recent figure is $16.84, compared with $16.16 a year ago. As about half the total living cost is made up of rent and fuel, which are relatively steady in respect to price trend, the average cost fluctuates within fairly narrow limits. Since the low of $15.41 was reached in mid-1933, however, there has been steady, if irregular, advance.

In comparison with 1935, it is found that on average throughout the Dominion food costs have risen from $7.74 to $8.28, cost of fuel is unchanged at $2.81 and rent has increased from $5.57 to $5.71. Sudbury is still listed as the most expensive of the larger centres in which to live with a weekly total of $20.60. Toronto follows closely. At the other end of the scale, Edmonton, with a figure of $14.75 has just managed to take low cost honors from Ste. Hyacinthe, Que.

Despite the fact that commodity prices have thus far lagged behind general business recovery, there is evidence that improvement will be at a more rapid pace in future. In the last few months, food prices in particular have registered substantial gains, due in part to poor crop conditions in some major products. Such household necessities as milk products, eggs, flour, bakery products, fish and flour have risen sharply in price.

* * *

Processed Cherries

On November 26 the Tariff Board will hear an application of the B. C. Fruit Growers' Association for upward revision of the tariff on processed cherries.

According to information supplied by the association this industry has developed from an initial volume of less than 100 tons, four or five years ago to approximately 400 tons this year. Rapid increase has taken place in the last two seasons largely as a result of sanctions against Italy. One important move has been the successful experimentation with black cherries which it is claimed can be successfully used if picked at the proper time. This has greatly increased the possibility of supplies.

Prices obtained in the past season have netted the grower 4½ cents a pound for fresh fruit but the industry fears that with sanctions removed competition will cut this to three cents a pound where it was three or four years ago. The present duty is 17½% as compared with protection of nine cents a pound afforded to growers in United States.

In a subsequent statement the association points out that processed cherries refer to those "in sulphur solution" a new phrase which replaces the old terminology "in brine" which referred to the process of previous years.

* * *

Exporters Note

In regard to the new German-Canada trade pact a special descriptive article in the current issue of Commercial Intelligence Journal points out to Canadian exporters two features which must be kept in mind regarding the new trading arrangement.

First, their chief concern in accepting German orders will be to make certain that the German importer has applied for and received the necessary exchange permit.

Secondly the absence of any Canadian export product from the special list reproduced in a recent issue of The Post does not mean that export business with Germany in that product is cut off. It simply means that the German importer will have to secure the funds to pay for such imports from the unallotted percentage of the total amount of foreign exchange created by Germany's sales to Canada.

* * *

Roofing Prices Lower

Trade prices of roll roofing, prepared shingles and building paper have been reduced by manufacturers, and wholesalers have revised their price schedules according to Hardware and Metal, Toronto.

It is also reported that increasing competition from a number of Japanese lines is causing some concern in the hardware trade.

Imports of bicycle accessories have been increasing this year. Wholesalers have been offered Japanese screen wire cloth for the 1937 season at lower prices than are quoted for the competitive Canadian price. Imports of Japanese pencils, toys and china are also being watched closely by Canadian firms.

* * *

Air Mail Feeders

Air Mail Service over a feeder line between Prince Albert and Regina by way of Saskatoon has been assured as soon as the transcontinental air mail route between Montreal and Vancouver is opened next summer.

Another vital feeder link will be that from Toronto northward to tie in with the main route from Montreal to Winnipeg.

* * *

Convention Boom

Nine leading Canadian cities received in all a total of 689 conventions from which the total revenue accruing to business is estimated at approximately $21 millions.

The figures are for 1936 and were prepared by C. K. Howard, manager of the Tourist and Convention Bureau, Canadian National Railways.

* * *

Quebec Starts Pensions

It is expected that the first cheques to be issued to pensioners in Quebec under the Quebec Old Age Pension's Act will be issued this week. Between 1,000 and 1,200 cheques are to be issued to applicants accepted as at November 1 by the Commission.

Quebec is the last province to implement the federal legislation whereby Ottawa pays 75% of the cost of these pensions to indigents over the age of 70. In the case of Quebec the remaining 25% will be paid by the province and not levied in part on municipalities in which the indigents are domiciled as in the case of Ontario.

* * *

Alberta Probes "Co-ops."

The co-operative movement is having a new lease of life in Alberta these days. The Alberta-British Columbia Co-operative Union has been formed headed by J. E. Armishaw of Sayward, B.C., with the idea of setting up a co-operative barter arrangement between the two provinces. The hope is to exchange Alberta raw materials such as wheat, coal and cattle for products now imported and to divert these imports as far as possible to B.C. products which could be exchanged on a barter basis.

Conferences were held recently between Alberta government officials and Robert Murray, director, and R. W. Leckie, secretary-director of the Scottish Co-operative Wholesale Society of Glasgow. This huge British "co-op." purchases as much as $10 millions of products in Canada annually, nearly half of which is wheat. Discussions with Alberta aim to find out what goods produced in the Scottish Co-op. factories might be available in exchange for goods produced in Alberta. Possible products mentioned included, jute, wrapping paper, furniture, clothing, woollen blankets, boots and shoes and shirts.

* * *

Publishing News

A controlling interest in the Sherbrooke Daily Record has been purchased by Major John Bassett, of the Montreal Gazette.

According to a statement announcing the change, Mr. Bassett will retain his present association with the Gazette Printing Co. of Montreal, the new venture being a purely personal one involving neither directly nor indirectly the Montreal paper.

The other important news item in the publishing field last week was the announcement that the London Advertiser after 74 years existence would be discontinued and its organization absorbed by the London Free Press.

* * *

Alberta's Car Stickers

Alberta has gone in for motor car license "stickers." These will be temporary licenses permitting the operation of an automobile until the annual license period opens on April 1 to conform with the government's fiscal year. They will be available at the beginning of the year.

The fee for this interim period has not yet been decided on by the government. In the past as many as 30,000 cars have been kept in operation in the first few months of the new year.

Low Cost Housing Plans Get Ottawa Attention

But Government Not Embarking on Any Scheme of Its Own—Will Watch Building Costs Rise for Profiteering

From Our Own Correspondent

OTTAWA. — Some progress has been made in drawing up a Dominion policy for low-cost housing projects across Canada, as recommended by the National Employment Commission. Hon. Norman Rogers, Minister of Labor, has returned from Europe and the United Kingdom, where he made studies of schemes in various countries. David Shepherd, consulting engineer for the Commission, is still across the Atlantic.

No Government Building

There are many details of the programme to work out, but a decision appears to have been reached on one point. The federal government has no intention of going into the house-building field itself. It appears doubtful, also, whether the provinces will be disposed to do so.

Such low-cost housing as will develop from the new legislation will, therefore, be confined largely to two categories:

1. Municipal housing.
2. Housing built and managed by private companies, assisted financially by Dominion, provincial and municipal governments.

Enlist Private Capital

The possibility of enlisting private capital for the formation of public utility housing companies with a low maximum dividend and financed partly as a public service, is being explored by members of the commission and by the Dominion government.

The Cabinet regards a housing drive not only as a useful means of re-employing thousands of industrial workers, but also as a social service. To the extent to which the project is state-assisted, it will constitute a wage-bonus scheme for the persons who occupy the new structures.

The success of the Dominion's low-cost housing legislation will depend largely on the solution of the problem of municipal taxation, which is holding back building in many areas today, it is claimed.

Watch Costs Rise

Another factor which will be closely watched is the disposition of costs to rise in anticipation of a revival of building. Already prices of lumber, painters supplies and other building materials have moved toward higher levels. Evidence of "profiteering" in such fields can, of course, be subjected to federal investigation through the Tariff Board or some other channel.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to October 31.

Japan—Businessmen regard prospects in China as somewhat improved, but expect the new tax programme to have a somewhat depressing effect; increased competition from Italy in the rayon trade is anticipated as a result of the devaluation of the Italian lira.

China — Increased shipments of cotton yarn, cotton-piece goods, and other manufactured staples to the interior point toward a recovery in agricultural buying power which may become more marked as the marketing of harvest progresses; commodity prices are rising in sympathy with the upward trend abroad, but rice prices have dropped.

Germany—The industrial production index for August was slightly above the July level and considerably above the 1935 average.

United Kingdom—Commercial and industrial activity is accelerating, the iron and steel and engineering trades being especially active.

Argentina—General conditions in Argentina appear excellent, with the agricultural outlook favorable, and trade in important commodity lines showing a satisfactory increase over 1935.

Brazil—Basic economic factors are reported favorable for continuance of the present high level of business activity.

Panama — Heavy rainfall and slackening tourist traffic caused sales levels in October to flatten out.

Honduras — Following a slight pick-up in business during September, commercial activity in general declined in October.

Jamaica — Replenishment of merchandise stocks on the island has been delayed by fear of possible hurricane losses.

Dominican Republic — Acceleration of commercial movement has developed in the Dominican Republic, but with most retail sales on a credit basis, thereby aggravating an already unsatisfactory domestic collection situation.

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Life insurance is the greatest co-operative business in Canada. No one doubts its strength and stability. No one questions the prudent and intelligent direction of its affairs.

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Today there are forces in Canada that menace the welfare of these people. These forces would penalize their savings and impair their investments through legislation which cancels public and private debts—regardless of the debtor's ability to pay—and which tends to destroy the ownership of public and private property.

The interests of life insurance policyholders and beneficiaries—as of all other citizens whose savings are invested in one form or another in Canada—demand that promises to pay be observed, when the debtor is able to pay; that hard-earned savings which safeguard the homes and families of the Dominion be protected from unjust legislation.

Life Insurance

Guardian of Canadian Homes

L-148

Patronage Plum Grows Sour

Time When Political Faithfulness Only Qualification for Government Appointment Seems to be Fading Gradually at Ottawa

From Our Own Correspondent

OTTAWA.—The latest crop of appointments to high posts in the government service—such as the chairman, general manager and assistant of the broadcasting corporation, the directors of the Bank of Canada and of the Canadian National—has been of such high calibre, and broadly speaking so free from political considerations, that the question is being asked: Are we in Canada at last getting away from the political patronage system of appointments, to the more sensible one, long prevalent in the business world, of selection on merit? What is the trend of the times?

Party Followers Howl

If the flood of complaints pouring in on Ottawa since the last election from stout party followers is any criterion, the present government has repeatedly run contrary to political pressure in making its recent appointments.

There used to be a tradition at Ottawa that the Conservatives look after their friends better, following an election, than did the Liberals. But no party has a monopoly of virtue. The Bennett government made some magnificent non-party appointments, and others in which party service was about the only qualification for the post. The Liberals have ignored political pressure in some of their recent appointments: in others they have followed the easy and habitual custom of looking after those who have battled for them in political campaigns.

A comprehensive review of the appointments of the late government and the present one does show, at least, that nowadays a high type of public servant, zealous and capable, is being enlisted to supervise and direct the departments, the commissions and the other government or quasi-government bodies through which this country is really governed. One reason may be an improvement in the intelligence and ethics of government leaders: Another reason is that during the depression it was easier to secure outstanding men. The security and relatively high salaries—contrasted with the substantially lower rewards private business for a time was prepared to offer—of the civil service top positions were more attractive than they had been.

Easy at First

The present government, it should not be forgotten, finds it relatively easy, in the early stages of power at least, to ignore political pressure in its appointments. With a record majority of members in the House of Commons, it can gamble a bit on the threat of disaffection which undue ignoring of party demands might engender. What it will do just before the next election remains to be seen. The most glaring party appointments of the Bennett government were made when it was obviously facing defeat, and when there was a great rush for economic security on the part of some erstwhile party leaders.

The impression should not be given that a "party" appointment is necessarily bad. The defence of a government making such appointments, especially when applicants are numerous, is that there is as much merit among the Conservative applicants, say, as there is among those from other parties, and, other things being equal, it is better to have at the head of a department, or on a commission, one who is in full sympathy with the aims and views of the government in power. This justification, of course, can be adapted by any party to its own uses.

Forget Politics

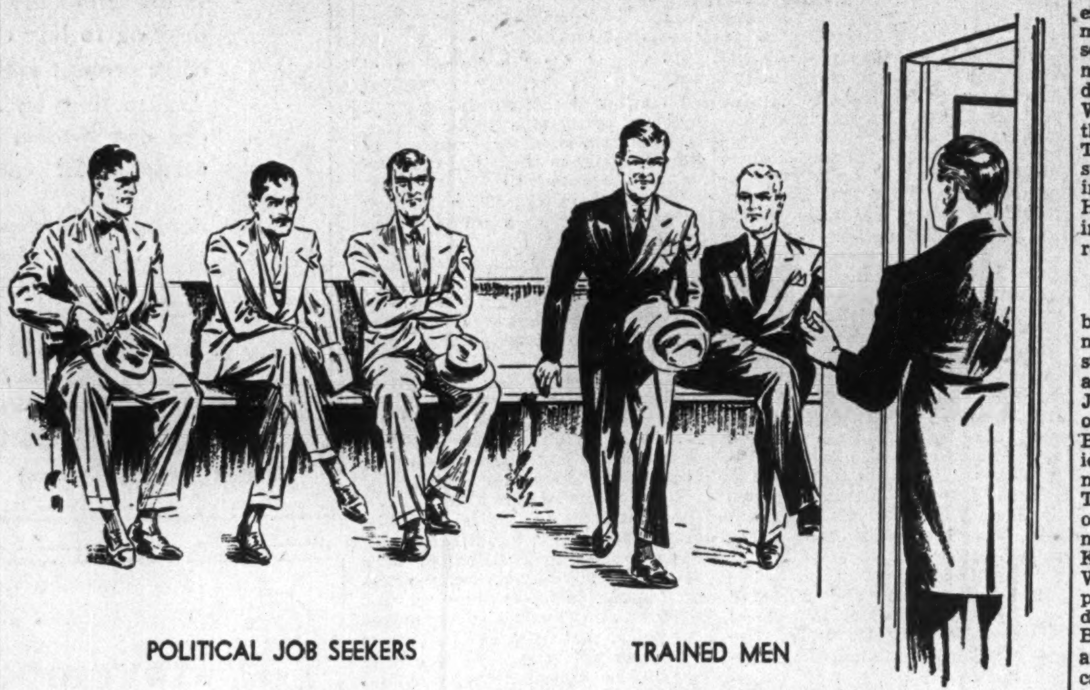
Cases are frequent, also, of men who took a strong party stand when in political life, but who immediately became eminently fair when appointed to high office. Parliament has never had a fairer speaker than Hon. J. L. Bowman, who was a loyal and even zealous member of the Conservative party before his election. Judges form the classic example of the fact that party leanings do not permanently militate against eminent fairness. Most judgeships are still party appointments, in the sense that they are usually chosen on the recommendation of the provincial minister, of local members, of the same party. But the Canadian judiciary has a fine reputation for fairness, absence of party or other bias.

The objectionable kind of party appointment is the one in which an incompetent or vicious man is chosen over the heads of much abler and upright candidates. It is really encouraging to look over the appointments of recent years to see how little outright incompetence, and almost no corruption, has been rewarded by a position at the top of Canada's civil service or other governmental bodies.

Views on patronage differ greatly in different parts of the country. Some members wish to reward their friends when they are elected, and enjoy unseating present office holders known to be of a different political complexion in order that they may replace them with loyal party workers. Other members find the patronage part of their duties the most distasteful and are grateful that so much of that sort of thing is now handled by the Civil Service Commission. This, of course, applies to the minor posts chiefly. The major appointments are still made in the final analysis by the prime minister on the recommendation of one or more of his ministers.

"Faithful" Rewarded

When the present government came into power there was provision made for 2 or 3 of its loyal followers who had been defeated in the election, or who were asked to retire in order to permit new men to come into the Cabinet. These appointments were carefully made and the men given jobs they were able to handle. Little or no criticism has been forthcoming yet. J. J. Larabee was absorbed into the Fisheries department to make way for Hon. Charles Dunning; Robert McKenzie became a member of the Farm Loan Board so that Hon. J. G. Gardiner could come into the cabinet. "Jock" Vallance, who had been defeated in Saskatchewan by a Social Credit member, was placed in charge of water conservation work on the drought-stricken prairies—a project he is pushing with characteristic vigor. Hon. Charles Stewart, defeated in Jasper-Edson, was made Chairman of the International Joint Commission, Canadian section. Hon. Randolph Bruce, defeated by Hon. Harry Stevens in Kootenay East, became Minister to Japan; E. J. Young, beaten in Weyburn by a C. C. F. member, later became a member of the National Employment Commission. These were all political appointments, and yet there is little fault to find with them because they bring to their new work appropriate capacities.



GETTING THE COLD SHOULDER

Three appointments to the Senate made by the present government to date are political also, as Senate appointments almost always are. The Senate has become a useful elevation for weary warriors, who do not care to face another election, or are facing defeat. There being no superannuation fund for men who have served their party and country well, the Senate takes its place, in a measure. This is not to say that the Senate is composed entirely of men past their prime, or women either.

A considerable number of Mr. Bennett's appointments were of men in the prime of life, as well as a lady who could by no stretching of language be termed war-weary or ready for retirement. There is, too, considerable justification for choosing veteran Commoners for the Senate, whose main work is the review of current legislation, and where lengthy and exhaustive knowledge of the principles and details of law-making are imperative.

Political Considerations First

So it is not surprising to note that Hon. F. P. O'Connor, Hon. Charles McDonald (since deceased) and Hon. Wm. Duff, mere chosen for political considerations of one sort or another. Run over the list of the Bennett government appointments and see the preponderance of seasoned campaigners in the party field: General McRae, Meighen, Ballantyne, Rainville, Fauteux, Rhodes, Cantley, Quinn, Donald Sutherland, Arthurs, Jones, Sauve, Smith, Mullins, Paquet and Bourgeois.

But when you come to the heads of the permanent Civil Service you note a different principle in the main. Two of the deputies chosen just before the election were ex-members, and the appointments created a great hullabaloo; but these were the exception to the rule. The majority of the Bennett appointments to deputy ministers' positions were made on merit, aside from party ranks. Tom Magladery had been Hon. W. A. Gordon's campaign manager, it is true, but he made an efficient deputy minister of immigration. Dr. McGill was a member of the Alberta legislature, but his other qualifications for the post of Deputy Superintendent of Indian Affairs were much more significant. Major J. G. Parmelee was promoted from within the service purely on merit, Dr. W. C. Clark, who has been eminently successful as deputy minister of finance, had Liberal rather than Conservative affiliations, though not a strong party man. Col. L. R. Lafleche was made deputy of the national defence department on grounds of suitability; E. H. Coleman who was an eminent lawyer, went to the department of secretary of state as under-secretary. W. M. Dickson was promoted within the service to be deputy minister of labor; J. M. Wardle, made deputy minister of the interior, was a noted engineer. The Bennett government built up a strong corps of clever young men in C. Fraser Elliott, David Sim, Hugh Scully, as commissioners of income tax, excise and customs respectively.

Service Bolstered

Some changes have subsequently been made by the present government, but tending to strengthen still further the heads of the permanent civil service. Adding in Sir James MacBrien as commissioner of Mounted Police, Charles H. Bland, chairman of the civil service, Hon. G. H. Sedgewick as chairman of the tariff board, Col. J. T. C. Thompson as Dominion franchise officer, Dr. R. E. Wodehouse, deputy minister of pensions, Hector B. McKinnon, commissioner of tariffs, Watson Sellar, comptroller of expenditures, and Dr. G. S. Barton, deputy minister of agriculture—all Bennett appointments, be it noted—and you have an impressive list of capable members heading the permanent civil service of Canada and largely responsible for the type of administration we have.

The inclusion of names like McKinnon, Sim and Sellar refutes any charges which may be made that the Bennett government lacked broadness and even magnanimity in its appointments and promotions. In several minor posts a rather small attitude of "to the victor the spoils" was adopted, but there was much recognition of merit which ignored party leanings. David Sim was private secretary to Hon. W. D. Euler and as such assisted in his political campaigns, as all private secretaries are expected to. But he was retained as private secretary to Hon. E. B. Ryckman, when the government changed, and to Hon. R. C. Matthews when Mr. Ryckman died. Then he was promoted to the position of commissioner of excise. Hector McKinnon, who had been an outspoken Liberal journalist, and who was secretary of the tariff board when the Conservatives came in, was promoted to commissioner of tariffs, in spite of the Bennett government's strong leanings toward high protection. Watson Sellar, a Liberal private secretary to Hon. James Robb, possessed qualities which the Bennett government recognized in promoting him to the post of comptroller of expenditures. That the present government will follow the lead is indicated by their retention of James R. McGregor, who was private secretary to Hon. E. N. Rhodes—and an extremely good one—as secretary of the Canadian Tariff Commission.

Sometimes Ruthless

Both the present and past governments have been a bit ruthless in treating bodies which from their point of view, or because of public dissatisfaction, were objectionable to them. The first order-in-council signed by R. B. Bennett is said to have been that which abolished the Tariff Board of W. H. Moore and his 2 colleagues. The present government, by appointing a new board of directors of the Canadian National, leaves Hon. C. P. Fullerton and his colleagues out on a similar limb. The present Canadian Radio Commission was given a sort of back-handed extinction by appointment of a new Board of governors and managers. The Bennett government found it expedient to provide for the retirement of numerous deputies, and the members of civil service commission. In 5 years, for one reason or another (retirement because of age in some cases) Cory, O'Hara, Mulvey, Desbarats, Grisdale, Johnston, Dr. Scott, Amyot, Gaboury, Ward, Egan, Walters, Taylor, Starnes, were replaced. The present government has retired Magladery as deputy minister of immigration, and is said to be planning the retirement of another deputy.

The fact that a bad appointment now raises adverse comment from coast to coast whereas in former days it would have been accepted as a feature of the party system suggests that governments have, on the whole, made important progress forward in the vital matter of appointments.

At any rate men of the calibre of Arthur B. Purvis, Graham Ford Towers, Hon. W. F. A. Turgeon, James R. Murray, Hon. G. H. Sedgewick, Leonard W. Brockington, Gladstone Murray, Dr. W. I. McIntosh, Dr. O. D. Skelton, S. J. Hungerford—to name a representative and by no means exhaustive cluster—will stack up very favorably, one would think, with the leaders in public administration anywhere, even against the commissions and the permanent civil service in Great Britain, which have the reputation of being the world's best.

Dosco Steel Shipments Now in Heavier Volume

From Our Own Correspondent

MONTREAL.—Over 12,000 tons of steel products were shipped by Dominion Steel and Coal Corp. from Sydney last week, one-third of the metal going to Central Canada and the rest to the United Kingdom.

Quebec Votes Authority To "Convert" Provincial Debt

From Our Own Correspondent

MONTREAL. — Power to convert part, if not most, of the provincial debt so as to secure advantage of the lower money rates, has been given by the Legislative Assembly to the Quebec Government. There will be no forcible conversion, however, though power of redemption is provided.

The bill, as passed by the Assembly, has three-fold purpose. As regards conversion, the Lieutenant-Governor-in-Council is authorized to change the form of any part of existing consolidated debt of the province by substituting one class of public securities for another, provided the capital of the debt be not increased. However, it is provided that no such substitution shall be effective without consent of the holder or unless the security is redeemed by the government. Substitution is also authorized by way of sale of one class of security in order to purchase those for which it is desired to substitute them.

The Lieutenant-Governor-in-Council further is authorized to effect loans for the above purposes and for the renewal on maturity of loans and also for the making up of the difference between revenue and expenses or any year or part thereof.

Loans are restricted to a term of not more than 30 years and interest rates not exceeding 4%. Provision is made for sinking fund, all such investments to be made by the Treasury Board instead of as formerly by the treasurer, and the Treasury Board must act under authority of the Lieutenant-Governor-in-Council.

Livestock Survey Reports Hog Gain

Little Change in Other Farm Animals from Year Ago

Outside of a sharp increase in hogs there is practically no change in the numbers of livestock on Canadian farms this year as compared with 1935. Horses and cattle were down slightly, while sheep show a decrease of about 5%.

Hogs, on the other hand, were up substantially from approximately 3.4 millions in 1935 to 4.2 millions in 1936. Firm prices for these animals practically all through the year plus the relative shorter period necessary for increasing or decreasing supplies are believed responsible for this gain.

Another factor in so far as the three Prairie Provinces are concerned would be the fact that hogs are essentially grain-fed animals requiring little water and forage. They are, therefore, easily produced in the regular grain belt where water and forage supplies are often short in dry years.

Atlantic Sugar "A" Stock Withdrawn from Trading

From Our Own Correspondent

MONTREAL.—Class A preferred stock of Atlantic Sugar Refineries has been taken off the unlisted department of the Montreal Curb Market, owing to the fact that this security has been called for redemption.

N. B. Cod Fishermen Find Markets Poor

From Our Own Correspondent

SAINT JOHN. — Southern New Brunswick fishermen have had a slightly better season than last year, according to fisheries officials. Their output is mainly sardines, smoked herring, pollock, hake and hadlock.

Less happy is the plight of the northern New Brunswick cod fishermen. Italy was the main market for sun-dried salt cod, but it is now closed, as Mussolini will not allow money to be sent out of his country and fish exporters claim they are not in a position to take Italian goods in exchange. Some have not been paid for dried cod shipments to Italy a year ago. The Quebec and Nova Scotia cod industries have suffered from the same situation.

Nature has given the Maritime Provinces a virtual monopoly on smelt and lobsters, but neither of these salt water delicacies has yielded large profits because of poor packing and consignment selling. Improvement in both packing and marketing methods is now being advocated.

American Celanese Stock Put on Canadian Market

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. have participated with Fuller, Rodney Co. and Hedden & Co. Inc. in the public offering of $5 millions of 7% cumulative series 5 preferred stock of Celanese Corp. of America. This issue was offered at 110 a share. No particulars are available as to the amount offered in Canada.

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Winnipeg Electric

Will you please let me have your opinion as to the safety of the recently reorganized Winnipeg Electric general mortgage bonds 4-5%? Do you consider them a safe investment?

Experience of recent years has shown that one cannot be too definite in stating the safety of an investment. Unexpected changes are likely to take place in a company's operations or financial position, which might seriously affect the investment rating. In the case of Winnipeg Electric, the reorganization recently carried out was effected on a basis which would make sure the company could make adequate provision for depreciation and still pay the debt charges. On earnings in 1935, the company reports that after taking care of depreciation, bank interest and first mortgage bond interest, there was a balance of $1.5 million available to take care of interest on the series A general mortgage 4-5% bonds. As the interest charges on these bonds amount to roughly $1 million, it is evident that this charge can be covered comfortably.

Bonds or Petroleum

Do you consider Peru, Colombia and Brazil bonds a good purchase? Will Peru and Colombia bonds ever recover their former value?

South American bonds continue speculative, as is indicated by very low prices, and only partial payment or non-payment of interest.

Brazilian bonds stand some chance of further improvement in price if a more favorable debt arrangement is worked out next year for the bondholders. However, the government has not shown much inclination to put its creditors first in such an arrangement, and the record of Brazil over the past 75 years is not one that encourages the investor.

Peruvian and Colombian bonds were affected adversely by a recent dispute between these 2 countries, which has now been settled. The character of the population of these countries is not very high, and income is low. The countries are rich in petroleum resources, but these are extracted largely by International Petroleum Co. Consequently, a better form of investment in Colombia and Peru than their bonds might be International Petroleum shares. Under present unsettled international conditions, you might be better off to consider investing in speculative common shares at home, rather than in speculative bonds abroad.

Canadian Hydro

I am writing to ask confirmation on a point of hearsay information I have received to the effect that control of Canadian Hydro Electric is held by International Paper Co. through the common stock. My informant also understands that if the preferred dividend is allowed to lapse for one full year, this stock becomes voting, and I presume that International Paper would therefore lose control of the common stock. I understand Hydro is behind in its preferred dividends 3 quarters which would make the above argument final at the next dividend declaration date. When is this?

Your informant is correct when he says that the first preferred stock assumes voting power after the dividend has been passed for one year, but voting control is not lost by International Hydro Electric System. The first preferred is entitled to one vote for each share outstanding, or a total of 125,000 votes. On the other hand the common stock is entitled to one vote a share and one million shares are outstanding; it is apparent that the control rests with the common stock shareholders under these circumstances.

Canadian Hydro Electric has passed 3 quarterly dividends. The next one is due Dec. 1, 1936.

Dominion Tar

Among some stock which I am considering purchasing is Dominion Tar and Chemical Co. Consequently I would be grateful for any information you have on this enterprise.

Dominion Tar and Chemical Co. has been able to effect considerable improvement in its operations, earnings and finances, in the last 2 years. During September the company carried out a refunding operation which resulted in reducing debt charges. A problem still confronting the company, is arrears of dividends on the preferred stock. While there have been reports that a plan would be put forward for the liquidation of this liability, so far nothing has been done. For the 7 months ended July 31, 1936, the company reported consolidated earnings before debenture interest, depreciation and income tax of $496,709. The improvement in operations and earnings is evidenced by the fact that for the corresponding period of 1935, earnings, on the same basis, totalled only $281,731. Due to seasonal business conditions, profits for the 7 months period will not of necessity be proportionate to the results for the complete fiscal year, but, nevertheless, the showing for 1936 should be better than in 1935.

F. N. Burt

Will you be kind enough to inform me as to present earnings of F. N. Burt Co.? What is your opinion of the prospects of this company?

Net profit of F. N. Burt Co. in 1935 at $211,337 was the highest since 1931. In 1936 profits are understood to be running at about the same level. Dividends of $2 have been paid on common stock for each of the last 3 years. Earnings per share equalled $1.92 and $1.15 in 1935 and 1934 respectively. They were at 97 cents a share in 1933. Working capital is strong.

The company has good management. The major part of its business is carried on at Buffalo, N.Y., where the company owns and operates 2 factories. A subsidiary plant at Toronto looks after Canadian business.

The company has good connections and its business profits are expected to keep pace with general business conditions.

Foundation Co.

Foundation Co. of Canada has been recommended to me for purchase and I would like to have a report on this company.

Foundation Co. of Canada is one of the larger and more successful contracting firms in the Dominion. Since incorporation in 1924, it has handled many large construction and engineering jobs throughout the country. The company has demonstrated its ability to earn money, given sufficient volume of business, and while income naturally has been limited in recent years, the outlook is considered promising. For that reason there has been considerable market activity in the company's stock. Last year there was an increase in the volume of new business and the trend has continued this year. Net operating profit in the year ended April 30, 1936, was $68,401. While this was below average, indications are that income this year will be appreciably larger.

Howard Smith

Please be good enough to give me your opinion on the stock of Howard Smith Paper Mills. I would like to know what are the prospects.

Howard Smith Paper Mills is one of the 3 largest fine paper makers in Canada. Its earning power fluctuates with the volume of business in the country and for a time it was necessary for the company to defer dividends on its preferred stock. However, a reorganization was carried out a short time ago, resulting in the liquidation of arrears. Furthermore the company has redeemed a number of underlying bonds and currently Howard Smith Paper Mills is carrying out a refunding operation which will place its funded debt in a better position and effect savings in interest charges. Last year the company earned 83 cents a share on its common stock, and it would appear that the company can increase profits on the junior security.

Consolidated Paper

As a subscriber of The Post I would like to have your views on Consolidated Paper common.

Consolidated Paper has effected considerable economies in operation, with the result that though the volume of business is limited, recent earnings have been satisfactory. Income, however, has not reached the point of covering interest charges on the funded debt. These charges became fixed as on July 2 last and the first payment is due Jan. 2 next. The expectation is that the company will ask the bondholders to agree to a plan of accepting stock in lieu of cash interest payments. If this proposal is accepted, the company will have a chance to build up its liquid resources and reduce liabilities. The outlook for the company is more encouraging now than for some time past, as the demand for newsprint is not only growing but the price structure has strengthened. Provided there is no setback, the chances are that Consolidated Paper will be on its feet in a few years.

Hinde & Dauch

I hold some shares of Hinde & Dauch Paper Co. of Canada which I purchased at $10 a share. Can you give a brief report on the present position of this company?

Hinde & Dauch earned $1.18 a share on its common stock last year, and paid dividends at the rate of 50 cents a share. Since this year's business has been showing an increase of over 10% it would appear that the dividend rate could be increased. These shares give you a 5% yield on your purchase price and there is some prospect of higher dividends. The company's working capital is substantial and some saving in interest charges could perhaps be effected by refinancing the 5½% bonds to the further benefit of the shares.

Corporate Investors

If I purchased shares of Corporate Investors' Ltd., would I be getting into equity investments at a discount?

Corporate Investors is a fairly new investment trust which has a capital consisting only of common shares. These are offered at $7.50 each, which is the approximate break-up value of the securities in the company's portfolio, so you would not be getting a discount from actual values of the securities held by the investment trust. Although there is not an active market in these shares, the price has advanced steadily since they were first offered in 1933 in accordance with the increasing value of the company's investments.

Fanny Farmer

I have some shares of Fanny Farmer Candy Shops which I purchased at about $10 a share. Would you advise me to sell and take my profit and reinvest the proceeds?

Fanny Farmer Candy Shops Inc. is expected to show improvement in earnings this year, and the recent declaration of an extra dividend indicates increased payments are possible. You are receiving an attractive yield on your purchase price, and even at the present price level the shares would yield a satisfactory rate provided extra payments are maintained. Since earnings have continued to improve, and the company is amply supplied with working capital, maintenance of extras is possible. If you were to sell and reinvest the proceeds you would have difficulty in securing as attractive a yield. You can only get 4 to 4½% on high quality corporation bonds at present, and only about 3 to 3½% on government securities. You might get a higher rate on preferred stocks, but in some cases you would find the records of the companies not as good as that of Fanny Farmer.

Dominion Scottish

I notice the quotation on shares of Dominion-Scottish Investment is for "units." What shares are included in a unit, and does the market value represent a discount from portfolio values?

Capital of Dominion-Scottish Investments is 59,700 preferred shares and 60,000 common shares. One share of preferred and one of common form a unit, which, at about $42, sells at a discount from the portfolio value of $46.82 a share as at May 31, 1936. Par value of the preferred is $50 and the shares carry a cumulative dividend of $2.50 each, which has not been paid in full since 1931. Last year's dividends totalled $1.75 a share which would give a yield of slightly over 4% at present prices. Nearly 90% of the trust's investments are in preferred and common shares, so there is some possibility of increased income in a period of economic recovery. If full preferred dividends and arrears were eventually paid up, the buyer of a unit would still stand to get any income there might be on the common shares.

Jones Bros.

I would appreciate if you would favor me with a brief report as to the present position of Jones Bros. of Canada Ltd. preferred and common stocks. Can you estimate the present book or intrinsic value of these shares?

Jones Bros. of Canada Ltd. has not earned its bond interest, after depreciation, for the past 5 years, and so has shown no earnings on the preferred or common shares. No preferred dividends have been paid since 1931 and no earnings have been shown on the common since 1930. There is not an active market for the shares, and we would hesitate to put a value upon them. The company's balance sheet at Nov. 30, 1935, showed an equity of $56.84 per preferred share, but a fair value might only be a fraction of the equity shown in the balance sheet.

St. Lawrence Corp.

I am considering the purchase as an investment of the common stock of St. Lawrence Paper. Have you any information on this company?

We presume that you refer to St. Lawrence Corp. common; St. Lawrence Paper Mills has no common stock outstanding in the hands of the public. St. Lawrence Corp. common is regarded as speculative. The company is dependent upon revenue from its holdings in St. Lawrence Paper Mills, Brompton and Lake St. John. None of these companies is paying anything to the parent organization though individually their positions are much better. Moreover, St. Lawrence Corp. has substantial arrears of dividends on its A preferred which will have to be liquidated before any consideration can be given to the common stock. Consequently the prospects for St. Lawrence Corp. common are rather indefinite.

Railway Exchange

Will you please give me whatever information you can regarding Railway Exchange Building Co.? I hold a $1,000 first mortgage bond. I have written for this year's report which should have been ready in April but have not received one. Could you tell me anything about the business of this company?

Net income of Railway Exchange Building Co. for the last 3 years has not been sufficient to warrant payment of any interest on the first mortgage bonds. For the year ended April 30, 1936, bond interest was earned 0.39 times before depreciation. This compares with 0.36 and 0.27 times in 1935 and 1934, respectively.

Last July the company reported the building was 74.6% rented, compared with 73.7% a year earlier. Improved cash position has permitted pre-payment of 1936-37 taxes. The outlook for increased rental income continues uncertain, likewise the payment of bond interest.

Maritime Tel.

I hold some common shares of Maritime Telegraph and Telephone and wonder if there are any prospects of a dividend increase in the near future.

Maritime Telegraph and Telephone Co. has been paying 60 cents a share, or 6% on its common stock since April 1, 1933. Formerly the company had paid 8%. From 1930 to 1932 earnings did not justify the 8% rate and in 1933 the company reduced the dividend. Net income during the last 2 years has been sufficient to cover the 6%, there being a surplus in 1935 of $18,503, after dividends. While the position of the company is satisfactory, there does not appear to be any reason why the dividend should be increased, as earnings would not justify this step at this time.

Int. Bronze Powders

Will you please let me have a report on International Bronze Powders as I am considering making an investment in this company?

International Bronze Powders is a holding company, which through its subsidiaries, manufactures a complete range of aluminum and bronze powders. Plants are operated in Canada and the Uuited States and export agencies are maintained in England, France, China, Brazil, Argentine, Mexico, Japan and Australia. Net sales last year amounted to $2.1 millions as against less than $1.9 million in the previous year. Profits available for dividends on the preferred amounted to $2.22 a share, as against $1.97 in the previous year. As the dividend on the preferred amounts to only $1.50 a share, a substantial surplus has been available on the common stock. The preferred shares equally with the common in any further dividends.

Brown Co.

As a holder of Brown Co. first mortgage bonds, would you kindly let me know the prospects of this investment?

Recent reports on Brown Co. have been encouraging and it would appear that the company is in for a period of expansion, not only of operations but of earnings. As you are probably aware, the company recently secured an important contract covering the export of sulphite pulp to Japan. No details have been made public as to the terms of this new business, but it is understood to be on a basis favorable to the company. All in all, the report of the bondholders' protective committee would indicate a definite improvement in the company's position, which should reflect itself in the reorganization plan.

London Can. Investment

We would appreciate any information you may have in connection with London Canadian Investment Corp.

London Canadian Investment Corp. has recorded appreciable improvement in the market value of its investment portfolio, while earnings are still relatively low. Net profit for the 1935 fiscal year amounted to $37,251, equivalent to 95 cents a share on the preferred as compared with 77 cents earned in 1934 and net losses in the previous 2 years. However debenture interest was covered 1.27 times last year as against 1.19 times in 1934.

Market value of investments increased by $921,918 during the year and this is reflected in the company's debenture and stock equity. The debenture equity rose during 1935 from $1,191 to $1,478 and the preferred shares now have an equity of $46 where 2 years ago there was no equity. The common shares still have no equity.

Robert Mitchell

Would you please give me a report on Robert Mitchell and its prospect for earnings?

Robert Mitchell Co. has reported a series of operating deficits for several years past, but the current year has shown a more favorable trend in earnings. In a report issued by the company last August, it was stated results during the first half of the year had shown an improvement. Last year, there was a loss on operations of $17,263, as against $88,326 in 1934. The trend of income indicates the losses have been steadily reduced and there is a possibility that the statement for 1936 will show a profit.

B. A. Oil

I would appreciate some indication of the earnings outlook for British American Oil and whether the company is likely to pay a bonus this year.

British American Oil Co. has had lower earnings on its Canadian marketing operations this year, but is enjoying substantial revenue from its oil well developments in Oklahoma. Consequently, there are expectations that the company will pay a bonus at the end of this year above the regular dividend of 80 cents a share. There does not appear to be any large increase in earnings on Canadian operations in sight for the oil companies, although there may be moderate advances. If, however, petroleum prices in the United States remain stable, British American Oil should be able to get very large revenues from this source.

Acadia Sugar

I am thinking of buying Acadia Sugar common. Are there any prospects of appreciation in the near future, also of their paying a dividend?

Acadia Sugar has done a great deal toward strengthening its position; bonded debt charges were reduced and arrears of dividend on the preferred paid off. No common dividends have yet been paid, although substantial amounts have been earned in the past 5 years. It would not be surprising if the management were to undertake the payment of dividends, but it is possible that no decision will be made until the outcome of the 1936 operations is known.

Northwestern Power

Will you kindly furnish us with a report on Northwestern Power?

Northwestern Power is no longer in existence, having been absorbed by Winnipeg Electric Co. in the reorganization of that enterprise and its subsidiaries. Under the reorganization plan for each $1,000 principal amount of 6% first mortgage bonds of Northwestern Power held, holders received $400 principal amount of series A and $600 principal amount of series B general mortgage bonds, 8 class A shares and $28 face value contingent certificates in Winnipeg Electric Co.

B. C. Telephone 5's

Can you illuminate the position of B. C. Telephone 5% bonds, 1960? Some time ago I was advised that they were to be called and recommended to exchange into a new issue of 4½% bonds, payable in Canadian funds only. I can find no advice on their having been called.

When British Columbia Telephone Co. made the conversion offer last July, it was then said the company would call for redemption, all of the outstanding 5% bonds, 1960, which had not been converted into the 4½% series B issue. On October 6 last, it was officially stated that redemption of the 5% bonds would "await more stable exchange conditions." The offer of exchange into the 4½% bonds resulted in the conversion of $6.6 millions of the series A bonds, leaving $3.4 millions of the 5% bonds outstanding.

Suggestions for November Investment

OUR November booklet containing a diversified list of Dominion, Provincial, Municipal and Corporation securities is now ready for mailing.

Also included is an article commenting on the improvement which has taken place in general business conditions throughout the Dominion.

We shall be glad to send you a copy on request.

Write or telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA
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Mortgage loans on owners' homes at low rates of interest

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Second in zinc, third in copper, this Company has attained important place among Canadian producers of base metals.

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507 Place d'Armes, Montreal

TORONTO OTTAWA QUEBEC SHERBROOKE

78

STOCKS LISTED AND UNLISTED BONDS

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THE TORONTO STOCK EXCHANGE

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TORONTO
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HANSON BROS.
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ESTABLISHED 1883

Government, Municipal Public Utility and Industrial Bonds

Head Office:
255 St. James St.
MONTREAL

OTTAWA TORONTO

Completely New 1937 HUDSONS and TERRAPLANES *are here!*

First New Cars in History with PROVED Endurance, Performance, Economy... 40 OFFICIAL RECORDS BROKEN

Car Illustrated is Super Terraplane Sedan, $1138, retail at factory, Tilbury, Ont.

With New Selective Automatic Shift

They're here today! The completely new 1937 Hudsons and Terraplanes! Longer . . . lower . . . wider! More power! More room! New interior luxury that will amaze you. Widest seats any popular priced cars ever had! "Cars that almost drive themselves" . . . with Hudson's new Selective Automatic Shift, an optional extra. Come in and *see* these beautiful new Hudsons and Terraplanes . . . take one out and *drive* it . . . and you'll decide to step ahead in a completely new 1937 Hudson or Terraplane!

Drive CARS BUILT BY HUDSON

The Completely New 1937
TERRAPLANE
117-inch Wheelbase . . . 96 and 101 Horsepower
$881 *plus Government Tax $54.00, total $935 for the Business Coupe, retail at Tilbury, all taxes paid, freight and license only extra.*
No. 1 Car of the Low Price Field
. . . in size, power, new features

The Completely New 1937
HUDSON SIXES AND EIGHTS
122 and 129-inch Wheelbases, 101 and 122 H. P.
$1065 *plus Government Tax $70.00, total $1135 for Business Coupe, retail at Tilbury, all taxes paid, freight and license only extra.*
THREE BIG STEPS AHEAD
of all the rest

HUDSON MOTORS OF CANADA, LIMITED
Tilbury, Ontario
C71

See the 1937 Hudsons and Terraplanes at the National Motor Show, Toronto, Nov. 7-14 and at Your Nearest Dealers

TERRAPLANE, $935 HUDSON SIX, $1138 HUDSON EIGHT, $1205 COMMERCIAL CARS, $814 ALL PRICES RETAIL AT TILBURY, ONTARIO

New Books

VARIETY SHOW. By Frederick Griffin. Published by the Macmillan Co. of Canada, Toronto. Price $3.

Frederick Griffin is the ace reporter of The Toronto Daily Star. He is possibly the best-known daily newspaper reporter in Canada. Some years ago The Star discovered that they had in Griffin a man who never failed to get a story no matter what assignment was given to him, a man to whom writing was as simple as sweeping is to a street cleaner; who could make his readers sob or thrill with excitement or puzzle over a mystery as the entertainment demands of the modern daily newspaper dictated. Griffin, they found, could discover and illuminate the human interest in any event or circumstance. His news despatches might not often be history; they might not be worth reading 10 days after they had appeared in print. But in the heat of public excitement over any news event they were exactly what the readers of a daily newspaper of mass circulation wanted. So Griffin has been sent everywhere by The Star, through the North Country, across Canada with the Prince of Wales, flying to contact marooned ocean hoppers, covering hurricanes, floods and fires; touring Russia in the 5-Year-Plan days, waiting atop the Moose River Mine while that saga of heroism and tragedy was unfolded underground.

How To Get a Scoop

Mr. Griffin's book is packed with excitement and human interest. He tells exactly how he went about getting many of the major scoops that he has scored. He reveals intimate sidelights on people and events that he did not publish in his stories because they were not the things that made current news. Variety Show is itself a tale that is intensely exciting, one that few people could have written, a book that is bound to be a sure-fire hit with those who have enjoyed Richard Halliburton, Vincent Sheean, Negley Farson and other writers who have met adventure face-on and written about it candidly.

Recently, when he was in Canada, Viscount Rothermere said that the most successful modern daily newspapers were those that were in reality 2-cent cinemas. Mr. Griffin piles up in this volume evidence that papers of the type of The Toronto Star are less interested in news and interpretation of news than in entertainment. Constantly the reader finds himself paraphrasing what the French general said at Balaklava. The extravagant coverage of certain events of intensely dramatic importance by The Toronto Star is magnificent. But is it news?

A Fortune For a Picture

The Star turned loose a corps of reporters, it hired aeroplanes and special trains, it spent hundreds of dollars in telegrams to score a world beat on the publication of a picture of the Bremen, when the German flyers came down on Greenley Island. This may have been the news event of the day but it was not history. And as news it wasn't worth the expense.

Mr. Griffin dropped in on Haileybury after the fire. It was a scene of desolation. There was nothing left to write about, but hour after hour he scribbled away with a stubby pencil filling up page after page of telegraph blanks with columns of words that people read avidly, but which really told little that Griffin did not know before he left Toronto.

Reporter's Courage

Griffin's fighting Irish temperament carried him through many a hard battle to get news when an earnest effort was being made to keep the news from being published. His almost untiring energy served him well when he had to keep on the job for unbroken stretches of 20 hours, 40 hours and longer without sleep, with only snatched bites of food. He has written much of courage, but there was plenty of personal courage displayed by himself in December, 1927, when for days a storm and blizzard raged on the Great Lakes. Sent north to cover the wreck of freighter Agawa, he worked for 30 hours, and then, with no rest, he had to undertake The Star's coverage of the wreck of the Altadoc. That story finished, a third wreck intruded on his time. He had been up for 46 hours, had covered 3 wrecks and written 3 major stories totalling nearly 12,000 words. In that time he had not shaved nor washed.

Griffin shows a rare zest for strenuous journalism. A true ace reporter, his ability is most marked in making graphic the events that are dramatic but for the duration of a passing day. They live again in these pages. As events they are less interesting than Griffin's account of how he covered them.

MOSCOW SKIES. By Maurice Hindus. Published by the MacMillan Co. of Canada, Toronto, Price $2.75.

The author of "Red Bread," "Humanity Uprooted" and other contemporary surveys of modern Russia has chosen the novel form to write of the psychology of the personality of Russia in the eager days of the Five-year Plan

An intensely moving, expressive piece of writing, it probes deeply the Russian mind. It is as though Hindus had been translated into a new personality and had begun to write with the pen of Dostoievsky.

The plot reveals itself slowly, but stubbornly as the author pauses to give the reader a succession of vignettes of Russian life and Russian types. The candid camera of Hindus's pen has produced many such snapshots in the past. In this volume his characters live and move. The difference between "Humanity Uprooted" and "Moscow Skies" is the difference between a series of newspictures and a screen drama.

THE ANATOMY OF FRUSTRATION. By H. G. Wells. Published by The Macmillan Co. of Canada, Toronto. Price $2.

Mr. Wells finally sums up his social and political philosophy. For the purposes of his latest book, he has invented a lay figure in the person of "William Burroughs Steele," an American businessman and homely philosopher through whom the Wellsian philosophy is expressed. Viewed as a critical commentary upon the social ills of mankind, the volume goes little further than Mr. Wells has gone in previous volumes. But he does finally discover a plan or purpose in the world. "We make a pattern better than we know." The average man should remember that his life is only a bit of a whole. "There is a struggling divinity in everyone. Man persists. Man grows and advances."

"The Anatomy of Frustration" is a book for those who have followed H. G. Wells through his recent years of indefatigable analysis of contemporary society. Others, not appreciating the background of Wells's development, may find it insufferably dull.

SETTLEMENT AND THE FOREST AND MINING FRONTIERS. A. R. M. Lower and Harold A. Innis, Macmillan, Toronto.

The social and economic problems left in the wake of waning lumber and mining industries in Canada is the vital problem analyzed by this volume. If not alleviated, the exit of these industries from the scene is characterized by declining population, shrinking incomes, shifting markets, and idle equipment.

A. R. M. Lower, of Wesley College, Winnipeg, who has written the section dealing with lumbering, reveals the antagonism between the bona fide farmer and the woodsman. The author points out that where the forest stands on good soil, it is best to clear it quickly, and get the land under the plow. He maintains, however, that in some cases, notably the Ottawa-Georgian Bay tract, the paternalism of governments, as regards settlement, is ill-founded. With limited exceptions, this area was unsuited to agriculture, and the pseudo-settler, after cutting the timber for cash, either moved or sank to the existence level.

The section on the mining industry, by H. A. Innis, seeks to show how the nature of the ore bodies in a camp determines the rate of exploration, giving rise to problems which to greater or lesser degree are experienced in all mining operations.

Dr. Innis uses the history of Canada's varied mining camps to good effect in making his points clear. Yukon's placer operations are one type. Kootenay deposits, depending on smelter operations, heavy inward rail traffic, and large-scale capital investment, are another. Cobalt with its rich, shallow deposits, and location of the T. N. & O. lent itself to rapid exploitation by small groups until rising costs and leaner ores necessitated consolidation, and resulted in the emergence of strong groups. Porcupine and Kirkland Lake generally required larger capital investment. This led to a more conservative mine policy, with a view to spreading operations over the longest period possible.

It is notable that Dr. Innis lays great stress on the rôle played by power in shaping the life and characteristics of a mining camp.

This volume runs the middle course between the viewpoint of the businessman and the theorist or academician. It will repay the attention of all students of Canadian affairs. A useful summary of legislation relating to the cutting of pulp wood and the staking of mining claims in Ontario appears in appenform at the back of each section.

PROBLEM OF NUTRITION—Four volumes of facts and statistics prepared by the Committee on the Problem of Nutrition of the League of Nations.

This committee includes experts in the fields of public health, agriculture, economic policy and social assistance. Its first report is an interim study confined in the main to an analysis of the problem and a statement of the conclusions of the experts on the relationship existing between a proper diet on the one hand and, on the other, public health and the control of disease.

The second volume is a study of the physiological bases of a proper diet and reproduces the standards of adequate nutrition drawn up by the League experts.

The third volume furnishes a factual basis for a survey of this question in both urban and rural districts throughout the world. It is entitled "Nutrition in Various Countries."

The fourth volume is a valuable compendium of statistics of food production, consumption and prices of the chief protective and other foodstuffs, that is, milk and dairy products, meat, eggs and poultry, fruit and vegetables, cereals and sugar. It deals also with the question of the financial assistance given to agriculture in some of the principal agriculture countries.

These volumes are obtainable in Canada from the League of Nations Society at Ottawa.

WORLD PRODUCTION AND PRICES: 1935-36. Tenth annual survey published by Economic Intelligence Service of the League of Nations.

The feature of the new volume is a revised world index of timely production and a new world index of industrial activity.

One striking fact brought out by this survey is the substantial recovery that has been achieved in Russia. When Russian figures are included it is found that industrial activity in the world as a whole was greater in 1935 than in 1928, and only 5% less than the 1929 record. Without Russia the record is considerably poorer.

Another interesting commentary is that world unemployment in the first half of 1936 still appears to be at least two-thirds higher than in 1929. The persistence of unemployment, considerably in excess of the actual decline in production, is said to be in some degree due to increased productivity (per man hour) of those actually employed. Total man hours actually worked still fell short, in 1935, by some 23% of the 1929 total. Unemployment, however, is chiefly accounted for by the natural growth of population.

Obtainable in Canada from the League of Nations Society, Ottawa. Price $1.25.

WORLD ECONOMIC SURVEY: 1935-36. Published by Economic Intelligence Service, League of Nations, price $1.50.

This is the fifth of the series prepared and edited by J. B. Condliffe and is an attempt to set forth in readable annual form the story of world gains and losses in the field of economic affairs.

Written before the long-expected franc devaluation became a fact, the book nevertheless pays tribute to the excellent job done by "credit management" during 1935. Thus Mr. Condliffe reports that "though recovery has been very uneven and there is little possibility of international reintegration of market as long as national price systems remain as insulated from one another as they are now, the principal exchanges have maintained remarkable stability. This is perhaps the outstanding achievement of credit management in the year that has passed."

Warning is given of the dangerous possibilities that exist in the attempts to find national solutions of urgent problems by an expansion of the domestic market with the risk of monetary and financial breakdown looming behind the scenes in many countries. One of the dangers cited is the uneven rate of population increase which is given as typical of "pressures that accumulate and of which it is an open question whether they may not cause further dislocation before a new equilibrium can be established by the slow working of economic forces."

First Pictures & Details About the NEW PLYMOUTH

IMPORTANT: *In order to Save Your Time—We have Arranged on this page the Important Facts About The New Plymouth in a QUICK, EASY-TO-READ MANNER. In a Few Minutes you can get the Story—THEN: See the Car Itself and WITNESS the result of these Improvements!*

HERE'S THE NEWS ON PLYMOUTH!

NEW SOUND-PROOFING INSULATION

Scientific Insulation . . . in top, floor, sides and door panels . . . five different kinds of insulation absorb or block out hum, rumble and vibration. A real "*hushed ride*"!

NEW RIDING COMFORT

New Rubber Body Mountings . . . separate body from frame . . . cushion the All-Steel body at every point . . . absorb road vibrations.

New Aero-Hydraulic Shock-Absorbers . . . one on each wheel . . . Patented Floating Power engine mountings . . . smoothest engine in the lowest-price field. No pitching, jolting, bouncing . . . Plymouth gives you a soft, level ride.

More Seat Width . . . 3" more in front . . . 2½" more in back . . . body 2" longer . . . with an inch more head room.

Improved Ventilation . . . new "flipper-type" front window sections to take in air, or let it out . . . a larger, screened cowl ventilator . . . and ventilating windshield.

AMAZING SAFETY INTERIOR

Protection Inside . . . all instrument knobs and controls are recessed . . . nothing protrudes . . . even the door handles are designed for safety . . . back of front seat padded . . . built-in windshield defroster vents . . . the windshield is 2¾" wider . . . better vision front and rear.

All-Steel Body . . . Plymouth's body is a complete steel box . . . top, sides, doors, roof and floor.

NEW HANDLING EASE

Sway Eliminator on front end . . . no leaning sway on curves.

New Steering Ease . . . no "wind-wander" . . . car holds true to the road . . . no wheel-fight . . . and easy parking.

Quieter, Easier Shifting . . . due to two added transmission bearings . . . Syncro-Silent transmission . . . quiet helical gears throughout.

GREATEST ECONOMY

Gas Mileage . . . 1936 owners report 21 to 27 miles to a gallon of gasoline.

Lowest Oil Consumption . . . fewer places to lubricate . . . with the engine sealed to keep oil in, dirt out!

DAZZLING NEW BEAUTY—INSIDE AND OUT

Outside . . . the body is 2" longer . . . huge, heavy fenders and headlights . . . hood is longer . . . stunning new radiator grille with color panel down the center . . . concealed horns . . . wider and deeper bumpers . . . disc wheels and massive hub caps . . . trunk blends perfectly into the sweeping lines . . . it's a BIG, SMART CAR!

Inside . . . Plymouth is amazingly luxurious . . . deeply cushioned . . . silk assist and robe cords . . . new, rich upholstery . . . a stunningly smart, new safety instrument panel . . . ash trays at your finger tips . . . there's NEW COMFORT and SMARTNESS in every inch!

SAFER DRIVING! Beautiful new Plymouth gives smooth, safe stops . . . with self-equalizing, Double-Action Hydraulic Brakes.

SMOOTH! Plymouth's new instrument panel has all controls recessed . . . nothing to bump or bruise! Whole beautiful interior designed for safety!

SO QUIET, you can hear a watch tick even in traffic or on rough roads . . . five kinds of insulating material absorb noise.

STRETCH OUT . . . RELAX—in the roomy new Plymouth! Inches more head-room, elbow-room, arm-room! No "hump" in rear floor.

Famous Chrysler Engineering in the Lowest-Price Field!

The genius and vast resources of the famous Chrysler Engineers are back of the ever-growing success of Plymouth. Now, with more length, width and room, Aero-Hydraulic Shock Absorbers, new outrigger-type sound-absorbing body mountings and scientific sound-deadening body insulations, Plymouth for 1937 is the biggest value in Plymouth History.

IT IS EASY TO BUY A NEW 1937 PLYMOUTH

Chrysler Motors-Commercial Credit Corporation 7% Time Payment Plan makes it easy to buy a Plymouth. It's a more economical way to arrange time payments to fit your income.

PLYMOUTH BUILT BY CHRYSLER

Go See_PLYMOUTH! Drive One and be Convinced

Beauharnois "Rumors" Are Not Substantiated

Collateral Bonds Move Up on Professional Trading

NO PLAN — NO SALES

From Our Own Correspondent

MONTREAL.—Considerable speculative trading has been taking place in Beauharnois Power Corp. 5's of 1973, activity being predicated upon reports that the company was actively negotiating the sale of a block of 200,000 h.p. to Niagara Hudson Power Co. and that Montreal Light, Heat and Power Consold. had made an offer to exchange two common shares for each $100 Beauharnois bond. Consequent upon these rumors the bonds have moved up from 33½ at mid-year to the present level of 49, after having touched a high of 53½ last month.

These reports are not substantiated by Montreal Light, Heat and Power Cons. or the bondholders' protective committee.

No Power Market

John S. Norris, who holds the dual position of president of both Montreal Power and Beauharnois, has already gone on record as saying that there is no prospect of Beauharnois selling firm power to Niagara Hudson or any other agency in New York State.

Other interests have investigated the possibility of marketing some of the surplus power in the Montreal area in New York State. Niagara Hudson Power is quoted as saying that it does not need any additional firm power, nor will it be in the market until after its steam power plants have been put in operation.

There is a possibility of marketing off-peak or secondary power in the States, but there are problems in connection with this which do not improve the outlook for the holders of Beauharnois 5's. Even if it were possible to make a contract, it would cost the company about $1 million to construct a transmission line to the border. The company cannot afford this expenditure if the selling price is to be around 5 or less a horse power. At the best revenue from this source would contribute little, if anything, toward paying interest on the 5's.

No Offer Put Forward

Officials of Montreal Power are definite in stating that an offer has not been made to the collateral trust bondholders. Likewise a representative of the bondholders' committee says that no plan has been put forward to Montreal Power.

One widely circulated story, namely, the offer of two shares of Montreal Power common for each $100 Beauharnois bond, does not stand up under scrutiny. Beauharnois has outstanding $36 millions of bonds. The suggested exchange would mean the issuance by Montreal Power of 720,000 shares, on which the dividend would amount to more than $1 million annually. Montreal Power could issue the stock, but its reported earnings are not sufficient to cover the additional dividend outlay called by this plan. Nor is it likely that Montreal Power would take over non-interest paying bonds for its own stock.

Bill No. 5 an Obstacle

To the suggestion that Montreal Power might make an exchange of bonds, officials of the company display no interest. Further it is pointed out that if Bill No. 5 of the Quebec Legislature, which provides that bonds cannot be issued unless secured by immoveables, becomes law, Montreal Power would not be able to issue bonds for this or any other scheme, as it is a holding company. If the new bill is sanctioned, bonds could be issued only against property of subsidiary companies.

As far as the bondholders' committee is concerned, the only thing it has done to date is to hold an organization meeting. That has been its only official act.

Talk of Nuisance Value

The rise in the value of Beauharnois bonds has been attributed in some quarters to the nuisance value of the company. This "value" is considered doubtful in informed quarters.

Beauharnois 5's are secured by the stock of subsidiary companies and a second mortgage on the property of Beauharnois Light, Heat and Power Co. A majority of the common stock of Beauharnois Power Corp. is now owned by Montreal Power, which also has a small stake in that company's collateral bonds.

Under terms of the reorganization carried out in 1933, interest on the Beauharnois 5's does not become a fixed charge until Oct. 1, 1937, with the first half yearly payment due April 1, 1938. Thus there can be no default of interest payment for another 17 months.

"Joker" in the Pack

In the event of default, the position of Beauharnois collateral trust bonds is not a particularly happy one. When Montreal Power made its offer of exchange for the first mortgage bonds of Beauharnois Light, Heat and Power Co., the trust deed was changed to read that in the event of Beauharnois Power Corp. bondholders attempting to enforce security, the first mortgage bonds of the operating company, of which over 95% are held by Montreal Power, would become due and payable.

Collateral Value Doubtful

This change in the trust deed securing the operating company's first mortgage bonds is all-important, for its means that Beauharnois Power Corp. collateral trust bondholders cannot take over their security without first paying off the first mortgage.

The nuisance value of the Beauharnois 5's, therefore, is questionable. Further some observers see in this change in the operating company's trust deed, a move by Montreal Power to forestall being forced to enter into an arrangement with holders of the holding company's bonds.

French Teaching Order Places $112,500 of Bonds

From Our Own Correspondent

MONTREAL.—Lucien Coté Inc. is making a public offering of $112,500 of first mortgage 3½% bonds of Les Frères de l'Instruction Chrétienne. These bonds, which mature from 1937 to 1943, are offered at a range of prices providing a yield from 3% for the short term to 3.50% for the long term bonds.

This order was founded in France in 1817 and now has over 20 branches in Quebec. The present bond issue is guaranteed by the order and secured by a mortgage on the order's principal building at Lapointe du Lac, which is valued at $400,000.

What's What In Advertising

By TORY FLEMING

The stand of the Association of Canadian Advertisers on matters of policy has been set down in a resolution, passed unanimously at the annual meeting, and just now made public. After referring to the mutuality of interests of advertisers, agencies and publishers and expressing appreciation for co-operation extended by publishers of various media, the A.C.A. statement deals with more contentious points.

While realizing the need for publishers protecting themselves from monetary hazards and conditions making for instability in relationships with agencies and advertisers, the A.C.A. does not approve of "moves, which in operation, restrict the choice of the advertiser in selecting the agency in which he has confidence and which he is prepared to have service his account."

And while the A.C.A. is not in favor of rebating commissions as a means of securing accounts by agencies, it feels that "means should be provided whereby in certain cases, agency remuneration may be adjusted to conform to the degree of service rendered."

* * *

In the matter of cash discounts allowed agencies by publishers, the A.C.A. feels these should not be a matter for regulation in any form of recognition granted by publishers to advertising agencies. In generally accepted business practice, the A.C.A. points out, cash discounts are allowed to all buyers for prompt payment. This clause refers to the Canadian Daily Newspapers' Association regulation forbidding agencies from passing on the cash discount allowed them to their clients.

The resolution winds up with the statement that differences of opinion between publishers, agencies and advertisers are "moving toward a mutually satisfactory solution." It refers also to the goodwill marking the dealings of the A.C.A. with various publishers' and media associations.

* * *

Advertising and sales plans for 1937 of the Martin-Senour Co., Montreal, will be the most extensive in the firm's history. National and local publications, direct mail and store advertising, will call for an increased appropriation, according to an announcement by L. B. Reynolds, advertising manager, at the 30th anniversary sales convention in Montreal last week.

* * *

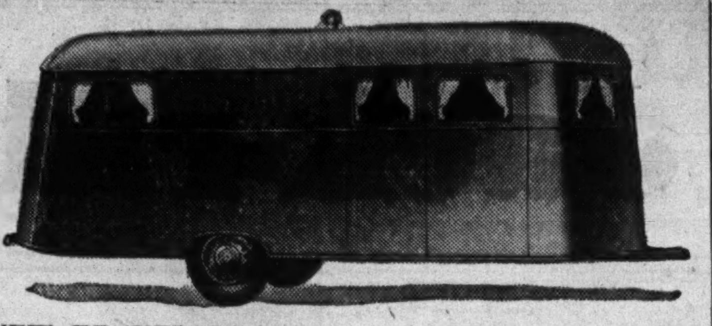
Canadian branches of United States firms have been tending for some time past to make their advertising fit this market and not merely import their U. S. copy holus bolus to run in Canadian publications. A further example of this trend is evident in a new campaign for Procter & Gamble's Chipso, featuring a contest exclusively for Canadians. Copy is appearing in leading magazines in one metropolitan weekly, and is also featured on Chipso's radio programme. This is not the first purely Canadian campaign conducted by Procter & Gamble, and recent examples have been provided by other firms as well.

* * *

Absorption of the London Advertiser by the Free Press of that city reduces the total number of dailies in Ontario to 35, in contrast to 52, 25 years ago. In the old days two daily papers in a town, and more in the big centres, was a usual thing. Now Toronto, Ottawa and Lindsay are the only cities in Ontario with more than one.

* * *

Account changes during the past week find International Fibre Board Co. Ltd., Ottawa, makers of Ten/Test, going to Young & Rubicam; and Seiberling Rubber Co. of Canada to McConnell, Baxter & Eastman, Toronto.



NEW TRAVEL COACH

Most people will call it a trailer. It is the new model being designed and built in Canada by Canada Carriage & Body Co., of Brantford, and named Brantford Travel Coach. It will be on exhibition at the National Motor Show at Toronto.

Residential Building Now in Front Place

While total value of contracts awarded in October was only a shade better than for the same month a year ago, there were some significant changes in the amounts of the various types of building, according to the monthly summary of MacLean Building Reports.

For the first time in months, residential construction, with over $5 millions in contracts awarded, headed the list. This total was not only almost a million ahead of the previous month but led Oct., 1935, by over $2 millions. It more than offset the falling off in publicly-financed marine construction from a year ago. Moreover this residential building was practically all concerned with houses and not apartments. It made up a third of the total October construction in Canada.

More Private Building

The trend toward private construction was also noted under business building. Here, though the total was practically unchanged from a year ago, there was a distinct swing away from structures financed by the various governments and more money was spent on garages, office buildings and stores.

In engineering work there was a sharp falling off from a year ago, due largely to less federal government expenditures on wharfs and harbors.

Urban Building

Except in the Toronto suburban area (York Township) and in Vancouver the large municipal building districts mostly report a falling off in construction activity as compared with the first nine months of 1935. Totals, of course, are still imposing and are very far in excess of 1934 but during the first part of 1935 there was still a substantial amount of government financed building of a relief nature going on and this, of course, was augmented by a revival in private construction. During most of 1936 on the other hand and certainly from summer on, government expenditures on construction, aside from highways, have fallen off considerably.

Building permits issued in leading municipal areas throughout Canada with comparisons follow:

URBAN BUILDING
(Building Permits)

	1936 9 mos. $	1935 9 mos. $	1934 9 mos. $
Halifax	853,261	1,358,829	564,972
Sydney	135,916	45,518	71,817
Saint John	87,732	118,605	202,096
Montreal	4,968,765	5,585,464	3,220,577
Quebec	684,187	1,524,200	329,580
Three Rivers	83,260	48,970	323,590
Westmount	258,953	145,500	525,190
Brantford	114,004	205,583	198,734
Fort William	190,900	137,125	600,000
Guelph	83,858	254,425	93,082
Hamilton	857,036	1,636,899	568,290
Kingston	191,389	161,384	113,482
Kitchener	326,018	418,171	196,891
London	565,000	1,481,722	418,090
Ottawa	1,555,457	3,118,410	993,475
Peterborough	214,046	159,496	123,200
Port Arthur	181,022	146,554	79,262
Stratford	37,832	34,897	35,040
St. Catharines	592,700	184,452	111,308
Sarnia	105,479	71,944	111,364
Toronto	5,259,893	7,284,352	4,213,558
York Townships: Forest Hill & Swansea	4,204,584	3,104,208	2,395,754
Windsor	556,558	532,862	128,362
Brandon	54,511	108,435	31,958
Winnipeg	1,026,300	2,540,700	540,550
Moose Jaw	38,935	130,965	345,145
Saskatoon	156,755	123,940	72,620
Regina	293,921	601,759	171,967
Calgary	561,790	860,928	414,866
Edmonton	790,270	609,360	391,440
New W'minster	318,565	149,155	55,855
Vancouver	3,923,405	3,264,370	1,084,887
Victoria	351,871	370,379	202,295

CONSTRUCTION CONTRACTS AWARDED

	October, 1936 No.	October, 1936 Value $	September, 1936 No.	September, 1936 Value $	October, 1935 No.	October, 1935 Value $
Apartments	22	490,000	21	365,600	13	125,900
Residences	1,561	4,586,900	1,466	3,966,600	931	2,913,300
Total residential	1,583	5,076,900	1,487	4,332,200	994	3,039,200
Churches	33	216,400	14	95,300	15	157,300
Public garages	105	439,600	42	121,800	46	134,800
Hospitals	8	101,400	11	212,300	6	387,600
Hotels and clubs	34	105,100	30	193,800	32	124,400
Office buildings	32	125,600	25	744,000	24	106,800
Public buildings	56	1,271,800	43	678,700	49	1,088,800
Schools	22	337,500	31	475,800	35	1,674,100
Stores	211	627,400	141	507,900	108	298,300
Theatres	183	520,800	12	330,000	7	183,500
Warehouses	76	709,700	38	186,800	47	668,500
Total business	590	4,300,300	392	3,547,400	369	4,824,100
Total industrial	100	1,239,600	80	1,058,800	64	701,600
Bridges	16	172,500	21	3,748,000	35	745,900
Dams and wharves	22	647,700	21	349,300	29	2,419,200
Sewers & watermains	37	288,700	19	208,100	33	583,000
Roads & streets	63	1,484,000	108	1,988,400	91	1,225,000
General engineering	62	1,746,500	64	1,327,590	56	1,387,100
Total engineering	200	4,340,400	233	7,620,100	244	6,360,200
Grand total	2,473	14,957,200	2,192	16,558,500	1,671	14,925,100

Total Awarded for

10 months	1936	18,342	142,628,800
10 months	1935	16,764	147,649,300
10 months	1934	14,403	109,247,800
10 months	1933	11,441	78,445,000

Farm Implements Production

Production in Canada during 1935 by factories engaged chiefly in the manufacture of farm implements and machinery had a value of $13,692,476, the highest total reported for the industry since 1930 when value of production was $26,902,139.

Reduced Rate Paid Alberta By Edmonton

City Cuts Interest 50% on Bonds Held by Province

RETALIATION

The Alberta government is being given "a taste of its own medicine." As retaliation for its action in cutting bond interest rates, the city of Edmonton has reduced interest payments by 50% on Edmonton bonds held by the provincial government. The action is limited to Edmonton bonds held by the government.

Alberta holds $1.9 million of Edmonton bonds, and it is estimated the 50% reduction in interest will mean a saving of $47,500.

Edmonton, on the other hand, holds $800,000 of Alberta bonds on which interest rates were slashed in June last.

The net position will be that Edmonton saves $47,500 and loses $23,000, so that there is a saving to the city on the deal.

The resolution passed by the city council reads as follows:

"That in view of the action of the provincial government in reducing the interest payable on its bonds owned by the sinking fund board of the city, we withhold the corresponding percentage of the interest due to the provincial government on city of Edmonton bonds owned or held by its sinking fund or associate boards."

Alphonse Raymond Bonds Sold at Par

From Our Own Correspondent

MONTREAL. — Bruno Jeannotte Ltd., Montreal, is making a public offering of the 5½% first closed mortgage bonds of Alphonse Raymond Ltd. In all there are $250,000 of the bonds issued, but only $150,000 are being offered to the public, the balance being held by the vendor. Alphonse Raymond Ltd. was established in Quebec about 30 years ago to manufacture and merchandise jams, pickles and other preserves. Factories are situated in Montreal and Montreal South. Control of the company is held by Alphonse Raymond.

Consolidate Old Loans

The present issue, proceeds from which will be used to retire and consolidate previous loans made for the purposes of improvement and expansion, will be secured by a mortgage on the company's properties valued at $316,198 and other assets to the value of $236,272, making a total of $542,471.

Volume of business handled by the company has shown a steady increase in recent years. Net profits applicable to interest and depreciation have advanced from $11,654 in 1932 to $33,728 in 1933, $27,883 in 1934 and $42,777 in 1935. For the first eight months of 1936, interest on the present first mortgage bonds was earned 4.5 times.

ALUMINUM

Photo courtesy of Ottawa Car Mfg. Co., Ltd.

brings lightness and comfort to the modern bus

Aluminum is now extensively used for:
Automobile engines and parts.
Bus and truck bodies.
Airplane engine parts and cabin fittings.
Streamlined trains.
Structural parts for submarines.
Mine skips and cages, dump cars.
Electrical cable.
Aluminum paint.
Motor boat engines.
Household utensils and a host of other uses.

Whether you travel across the town, or across the continent, there are modern, comfortable buses ready to serve you. They are comfortable because they are made lighter in weight with aluminum and the roof and sides are insulated with "Alfol" (aluminum foil) against the hot rays of the sun. Such is the construction of the bus shown in the above photo—one of a group built for the Toronto Transportation Commission. Aluminum buses are made light without sacrificing strength and dependability.

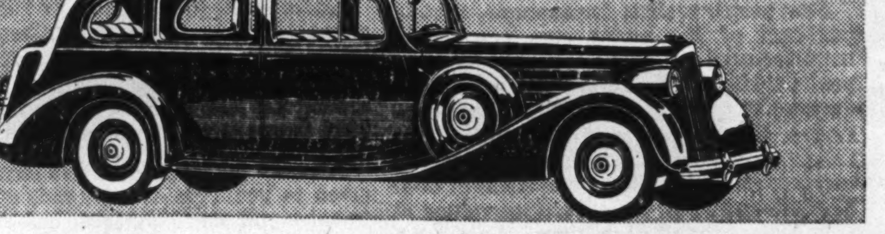
ALUMINUM COMPANY OF CANADA LIMITED
Toronto and Montreal

ALUMINUM—*Equal strength with less than half the weight*

PACKARD

-four great new cars
-four new low prices!

*THE ADVANCED 1937 PACKARD TWELVE . . . $5320**



The 1937 Packard Twelve is beyond question the finest motor car money can buy. It will still further widen the margin of Packard's fine-car leadership.

*At the left is the Packard Twelve Sedan, $5,320**

*THE NEW 1937 PACKARD SUPER-EIGHT . . . $3455**

The new Packard Super-Eight brings to motorists a combination of mechanical advantages that make it more than ever the world's greatest fine-car ever to sell at such a low price. It embodies all the luxury, distinction and mechanical excellence that have made Packard the most preferred American fine-car *in every country on the globe!*

*At the right is the Packard Super-Eight Club Sedan, $3,720**

*THE GREATER 1937 PACKARD 120 . . . . . $1490**

This car, whose outstanding performance carried it to the top of its price class, is an *even* greater car this year. Its remarkable riding qualities have been still further improved. Its handling ease is even more phenomenal. Gasoline mileage is up. Oil economy has been more than doubled.

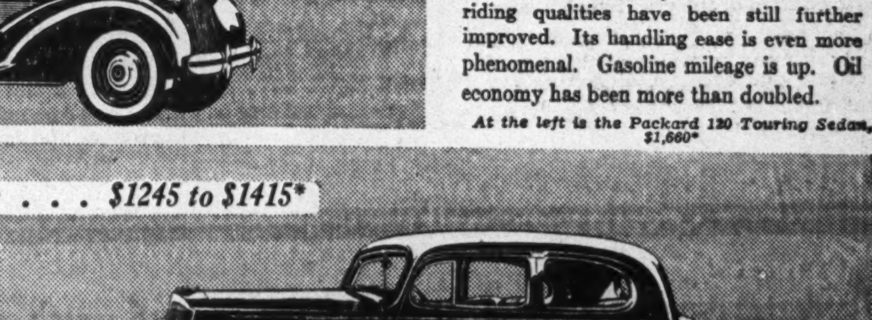
*At the left is the Packard 120 Touring Sedan, $1,660**

*The Brand New 1937 Packard Six . . . $1245 to $1415**

This sensational new Packard Six brings to its price class for the first time the combination of long mechanical life, long *style* life, and the pride of ownership that goes with a distinguished name. A Packard in looks, name, performance and excellence, this car is changing the lower-price picture.

*At the right is the Packard Six 5-Passenger Touring Coupe, $1,350**

ASK THE MAN WHO OWNS ONE



**Prices quoted are for cars fully equipped at Windsor, with license, taxes paid.*

PACKARD-ONTARIO MOTOR COMPANY, LIMITED
1029-1047 Bay Street, Toronto MIdway 9831
or your neighborhood dealer

ASK THE MAN WHO OWNS ONE

"TIME--marches on!"

Acting as executor one hundred years ago was largely a matter of attending to land debts, rent rolls and a few simple records.

"TIME---marches on!"

Today, investments are complex and diversified. Every asset demands constant vigilance if undue shrinkage is to be avoided and appreciation in values obtained.

Furthermore, a thorough knowledge of succession duty and income tax law and of stock, bond and real estate values is indispensable.

Three factors should be given the fullest consideration when selecting an executor:—collective judgment, financial responsibility and long experience.

This Company possesses these indispensable qualifications.

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Offices at: London, Toronto, Windsor, Winnipeg, Vancouver

"From Turtles to Jack-rabbits - - -"

MODERN automotive transportation has turned us from turtles to jack rabbits.

In 1910, the average per capita travel on steam railways, electric trains and in automobiles, was about 65 miles per annum.

By 1920, the average person was travelling 1,620 miles a year.

By 1930 the figure had soared to 3,620 miles.

Thus from 1920 to 1930 the mobility of people on this continent had more than doubled.

* * *

Billions of Miles

THE major rôle in this fast-moving drama has been played by the automobile. Five years ago when a royal commission probed Canada's transportation problems they estimated that in 1929 Canadians travelled about 14.6 billion miles during the year. Of this total 78 per cent was travelled in passenger automobiles, about two per cent in buses and the remainder in steam railways.

Someone has described a new car as a "transportation ticket good for 77,500 miles, a ticket, if you please, with 77,500 coupons." As the car is driven the owner tears off the coupons. On this basis it is estimated that automobile owners on this continent had unused tickets in their hands for over one thousand billion miles of travel at the beginning of 1930. These tickets represent a huge reservoir of unused transportation—a reservoir at the immediate beck and call of those who own the 23.5 million passenger cars now registered. For Canada, this reservoir in 1929 was placed at 34 billion miles.

During the depression automobile owners drew heavily on this reservoir of unused transportation. Thus it has been estimated that while the number of passenger automobiles in use during the depression dropped about 10 per cent the unused mileage in the hands of car owners dropped 37 per cent. Fewer new cars were bought but motorists drew very heavily on the unused transportation already in their possession. The Canadian reservoir of unused mileage is estimated for 1935 to have dropped to 21 billion miles.

* * *

One in Nine

THOSE who live on the North American continent get so used to being human jack rabbits that we often take as a matter of course the benefits of modern automotive achievement and the reasons behind this transformation of the past two decades. We fail to realize also that 74 per cent of the world's motor vehicles are on this continent and that only three countries in the world have a larger per capita population than Canada.

Canada, for example, has one motor vehicle for every nine persons, whereas in England and France the corresponding ratio is about one in twenty. In Germany the ratio is only one in sixty, while at the other end of the line are the countries such as Liberia and Ethiopia still living very much in the "turtle" stage with only one car for every 16,000 persons.

* * *

Industrial Romance

TO UNDERSTAND the reason behind this spectacular story; to appreciate why the automotive industry now ranks among the first five in Canada on the basis of its annual production; and why Canadian automotive transportation is the cheapest of any country in the world (outside the United States)—is one of the great industrial romances of this dominion. It is a story filled with new and fascinating examples of "modernization"; a story of mechanical and industrial achievement unique in the business annals of the dominion.

Few people realize, for example, that 70 per cent of the motor cars now being manufactured in Canada are made by companies whose predecessors were previously engaged in the production of Canadian carriages. Census figures of 1891 show some 3,000 establishments in Canada making carriages with a capital investment of over $4 millions and an annual output valued at slightly less than $10 millions. Here was a thriving and important group of craftsmen, most of them with a long and useful record of service to the community.

Nineteen years later there appeared for the first time in the business annals of Canada the names of 8 establishments devoted to the manufacture of the new horseless carriages and with an output in that year valued at $6 millions. By 1915 the amount of capital had increased to $14 millions and the value of output to $24 millions. By 1929 capital invested in this industry had almost reached the $100 millions mark, while selling value of products at the factory amounted to over $177 millions.

* * *

Jobs for Thousands

NOT only is the automotive industry a great industrial achievement in its own right, but its ramifications affect the lives and welfare of thousands of people in all parts of Canada who produce and fabricate the materials entering into automobile production in this country.

A recent questionnaire to automotive parts manufacturers revealed that in 1935, 162 firms paid $15.8 millions in salaries and wages and gave employment to an average of 14,171 people each month. Their total sales were almost $66 millions.

Adding this to the figures of those employed directly in the manufacturing of automobiles the total payroll for the industry rises to $34.6 millions distributed among no less than 27,266 persons. The 1936 figure is nearer the 40,000 mark.

A vastly wider circle is the employment given to hundreds of thousands of persons in sales and servicing jobs, bus and truck drivers, chauffeurs, highway workers and in tire and oil refinery plants. It has been estimated that there are 14 such jobs as these for every one worker in an automotive or automotive parts plant. On this basis the total number of persons who find their living in and around this industry would be well over the 300,000 mark.

* * *

High Wages

ONE unique feature that has always distinguished automobile manufacturing on this continent has been the high wages paid and the substantial return to labor afforded by this industry. Figures prepared last year for the tariff board by the Canadian Automobile Chamber of Commerce revealed that the motor car industry over a ten year period paid wages 48 per cent higher than the average of all Canadian manufacturers. The actual figure for 1929 showed an average annual earning of $1,530 for each wage earner in the automotive industry compared with $1,045 for wage earners in all manufacturing industries. This is a spread of 46 per cent.

Even in 1934 when the industry was barely recovering from the depression it reported average annual earnings of $1,191, a figure 42 per cent higher than the $837 reported for all manufacturing industries. It is interesting also that in the five year period 1929-1934 while volume of output dropped 56 per cent and the number of wage earners declined 44 per cent, the average annual wage dropped only 23 per cent.

And it has been estimated that nearly all the money spent for an automobile is in reality paid out in wages. John W. Scoville, chief statistician, Chrysler Corporation, has estimated that the raw materials, iron ore in the ground, trees in the forest, etc., that are used in making a motor car are worth probably less than $25. Thus to produce the finished product wages are paid to miners, to railway employees, steel workers, textile hands and thousands of others who process the materials that go to make up a car. He estimates that over 70 per cent of the money paid for an automobile has already been spent for wages and that about three-quarters of these wage payments have been made to workmen outside the automobile factories.

* * *

Dollar Value

ONE major reason for the tremendous growth of automotive transportation has been the uncanny ability of the industry to continually lower prices and improve the value of its products. The machine which in 1922 sold for $10,000 was a fine swanky car in its day. But no one would think of exchanging it for its modern counter part which sells for a fraction of the old price.

Automobile prices (according to U. S. figures) have declined in ten of the last fifteen years, but even more striking is the measurement of value received for dollars spent on automobiles in the past two decades. Thus a careful statistical compilation of the factory prices of four-door sedans rated according to registration shows that in ten years the price per vehicle dropped 37 per cent; the price of these cars per pound dropped 44 per cent and the cost per horsepower dropped 75 per cent.

Along this line an illuminating comparison submitted recently to the tariff board at Ottawa showed that in Great Britain where production of automobiles is three times that of Canada and where it might be expected the benefit of mass production would be noticeable in price, cars comparable to Canadian makes sold at considerably higher prices. Reducing these to the common denominator of price per pound, it is found that the Britisher paid 43 cents a pound for his automobile, whereas corresponding types of cars cost the Canadian purchaser but 30 cents a pound.

Similarly a farmer in Edmonton pays only $894 for a car which would cost his contemporary in the wheat-growing district of Argentina and the interior farmer of Australia, no less than $1,254.

* * *

Millions to Modernize

AND this saga of modern automotive transportation is indeed the saga of modernization.

Admittedly Canada with its widespread population and vast distances offers amazing opportunities for the automotive salesman. Nevertheless the startling record of progress as indicated by motor vehicle registrations which jumped ten-fold to 60,000 in 1915; soared to a quarter of a million in 1920; crossed the half million mark in 1923 and the one million mark in 1929, is a story that could never have been achieved except by an industry eager and alert to take advantage of every scientific and mechanical advance; ready and willing to pass on these advances to its consumers.

Scarcely a year has gone by that one or more of the leading Canadian producers has not spent a substantial sum for some new machine or for some new and better way of making its products. Millions of dollars have been spent to achieve a better product at lower cost and to achieve, wherever possible, a larger share of the production in Canadian plants. The total so spent in the last two years is estimated at over the $8 millions mark. At one plant alone a modernization plan now nearing completion has meant the expenditure of $900,000 and, incidentally, this extensive programme of modernization and mechanization is being accompanied by an increase of manpower. The payroll during the 1936 peak at this particular plant carried some 1,300 men, a higher total than ever shown before. When this reorganization is complete it is expected the personnel will reach the 1,500 mark.

* * *

Good Merchandising

NOT only has modern automotive transportation turned us from turtles to jack rabbits, it has provided an outstanding example of what can be achieved through the adaption of modern methods of merchandising. It seems certain that the success achieved by this industry in the past few decades could not have been attained alone through modern plant, modern methods and modern materials unless there had been added this vital factor of modern merchandising.

Thus in a score of ways the motor industry has given leadership in modernizing its sales methods and in putting the automobile within reach of an increasing number of people. They have shown leadership in boldly moving their entire selling emphasis from January to November in order to achieve a more even flow of product through their plant. They showed leadership in the expenditure of considerable sums of money toward the end of the depression in the belief that consumer purchasing would again commence if a sufficiently attractive product at the right price were effectively merchandised.

* * *

JUST what form the automobile of tomorrow will take is still shrouded in mystery. That it will be a better, stronger, safer car there can be little question. That it will offer to future buyers as it does to present buyers and as it has to past buyers the utmost in value, mechanical efficiency and comfort cannot be doubted.

For this saga of turtle to jack rabbit has been a saga of modernization; a saga of modern methods of modern materials, modern machinery and modern merchandising.

Modernization is a major factor in the forward march of Canadian business. The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canada:

CANADIAN INGERSOLL-RAND COMPANY LIMITED
Air compressors, air hoists, pneumatic tools, tire pumps, centrifugal pumps.
"Compressed air accelerates the modern automobile production line, inflates millions of tires and aids essential repair work."

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

THE T. EATON COMPANY LIMITED
"It pays to shop at Eaton's"

INTERNATIONAL FIBRE BOARD LIMITED
Montreal Ottawa Toronto
Ten-Test Insulating Wall Board
Insulates, Decorates, Quiets Noise

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel — Inconel — Monel Metal

MASSEY-HARRIS CO. LTD.
"Builders of Good Farm Implements"

J. J. GIBBONS LIMITED
Advertising Agents
Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver
"Gibbons knows Canada"

NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
National Cash Registers, Accounting Machines, Check-writing and Signing Machines and Correct Posture Chairs.

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton — Montreal
"Specialists in Transportation Equipment"

THE ROBERT SIMPSON COMPANY LIMITED
"You'll enjoy shopping at Simpson's"

UNITED STEEL CORPORATION
Modern Power Transmission Machinery
Dependable Conveying and Elevating Equipment

ANGLIN NORCROSS CORPORATION LIMITED
Montreal Toronto
"Building Construction"

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone service has made Canadians the world's greatest users."

CANADA CEMENT COMPANY LIMITED
"Modernize With Cement"

CANADIAN AIRWAYS LIMITED
Radio — Transport — Survey
Air bases throughout Canada

CANADIAN AUTOMOBILE CHAMBER OF COMMERCE comprising the following Canadian Manufacturers: —

Chrysler Corporation of Canada Limited
Chrysler, De Soto, Dodge and Plymouth Automobiles
Dodge and Fargo Motor Trucks

General Motors of Canada Limited
Chevrolet, Pontiac, Oldsmobile, Buick, La Salle and Cadillac Automobiles
Chevrolet and G.M.C. Motor Trucks

Hudson Motors of Canada Limited
Hudson and Terraplane Automobiles

International Harvester Co. of Canada Ltd.
International Motor Trucks

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SECOND SECTION

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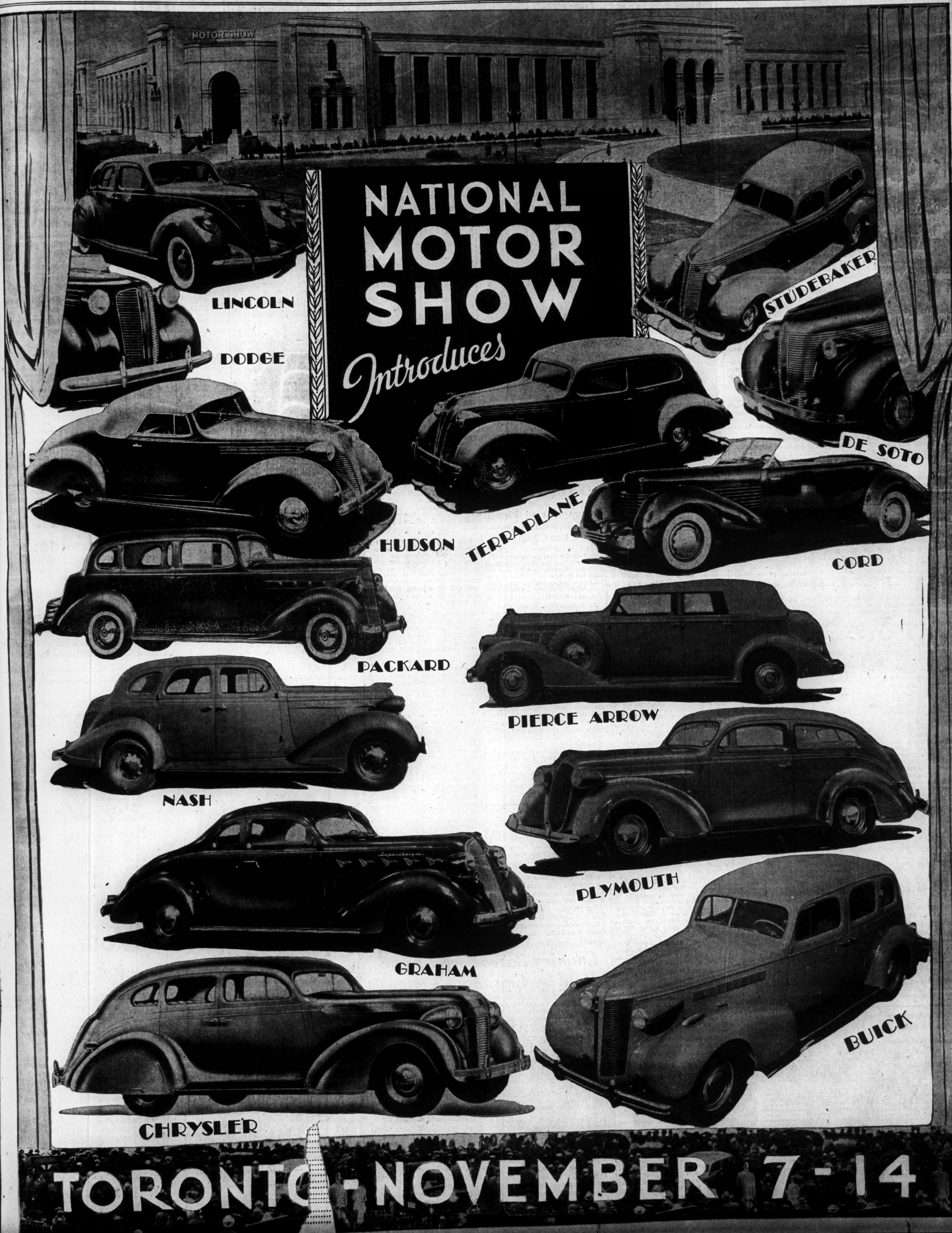


Showing of 1937 Cars Reveals Many Changes ToBetter,FinerProduct

They Will be on Parade at National Motor Show This Week — All-steel Bodies, Safety Glass, Practically Universal

By HERB C. BRAUND
Editor, Canadian Automotive Trade

Both as buyers and investors, Canadian businessmen will find much of interest in the 1937 motor car models, being shown formally in Toronto and Montreal shows this month.

Some makers have already stocked dealers throughout Canada, others are pushing this sampling, and it appears that the industry will be well ahead of schedule this year, with practically no laggards. Buyers will be able to get very prompt delivery in the case of most manufacturers, although one or two lines are not yet available in quantity. Makers are in much better position than ordinarily so far as delivery is concerned.

The writer has viewed practically all models to be offered for sale in Canada the coming season, with the exception of Ford, which will be seen later this week. As Ford will no longer be a secret within a few days, it is idle to speculate, or pass along rumors about this, the only remaining "mystery" car of the season.

Confidence in Dealers

Car buyers can feel definite confidence in doing business with motor car dealers nowadays. These men have passed through a period of very considerable stress, complicated by peculiarities of the motor car business, but the weaker ones have been weeded out during the past five or six years, and factory policies have been modified where necessary, so that the dealer of today is in a relatively sound position.

Buyers came back a long way during 1936 to their previous price classes. Driven to cheaper cars during the depression, they have come back to the medium and higher price classes, and it seems likely that this trend, in a lessened degree, will continue in 1937. Cars in lower price brackets will benefit by the entry of those who have been going without a car, or using a used car. Price competition will be very keen as several leading makers are entering the field with new, low price quatations.

Speaking of used cars, there is less and less result being secured from shopping for trade-in offers. Dealers are more likely to shut their eyes to uneconomical deals, and are adhering more closely to their "association" value lists.

Improve Buyer-appeal

Buyer-appeal has been stimulated by close attention to dozens of more or less important matters. Hypoid gears will be quite generally used in rear ends, for instance, even in the lowest priced cars, such as Plymouth and Chevrolet. These increase contact area of gear teeth for greater strength, longer life and quieter operation, incidentally increasing trunk capacity and enabling the removal of the tunnel from rear seat floors that had them. Sound-proofing is carried a step further than ever before.

There are not a great many changes in models. Packard has added a six to its line, of course.

Chrysler-built cars are using rubber float mountings at 14 points on the frame, eliminating metal-to-metal contact. A new type of insulant is being fused on to floors. A heavy backing impregnated with asphalt is used under the steel roof and elsewhere.

Steel Bodies Universal

All-steel bodies will be practically universal in 1937, as will safety glass. General Motors, for instance, are producing their Uni-steel body, for which extensive plant changes have been made in Canada. They will also manufacture the Pontiac engine in Canada for the 1937 line, thus bringing the Canadian content of this car up to new high point. They will not market Pontiac or Oldsmobile eight-cylinder cars here.

Several lines stress economy in their 1937 products. Graham ran a Windsor-Toronto test trip with unusual results in gasoline consumption.

Hudson claims a 10% improvement in economy.

Buick quotes proving ground results that indicate lower operating costs.

Chrysler-made lines claim an interesting economy story, as do Packard and others.

Packard mentions a 200% improvement in oil economy at 75 m.p.h.

Studebaker, using the Fram oil cleaner in both lines for 1937, states oil need never be changed, except for change from summer to winter grades.

Door handles are being bent inward, to eliminate bayoneting. Chrysler-built cars are producing a flat instrument board, with no knobs to damage persons thrown against it, and rolling the upholstery on the back of the front seat to protect rear-seat riders. Toe-boards are recessed. Drivers' seats on some cars not only move forward, but the seat rises and the angle of the back changes at the same time.

Easier and Safer Driving

Over-drive transmissions are more generally used, and of improved types. Automatic gear changing has not yet arrived on Canadian cars, but Hudson who used the electric hand last year offers it in combination with an automatic clutch arrangement that makes it unnecessary to use the left foot in driving. More cars have the hood lifting from the front, one has moved the battery into the engine room, another has grouped all service points at the curb side.

Hydraulic brakes have been enlarged, improved. More cars have the emergency brake mounted on the dash at the driver's left hand. Windows are bigger, and visibility generally improved. Electrical systems are better designed. Radios are finer and controls more accessible. Hudson has eliminated rumble-seat coupes, bringing the seat indoors with an ingenious side seat in the coupe and a swivelling front seat to allow exit. Ammeter and oil gauge in another car say "Yes," and "No" in place of pointers and numbers.

A few engines have been entirely redesigned, and nearly all are stepped up in horsepower, with few now short of the 90-100 mark. Streamlined valves, automatic controls, dual carburation, superchargers (in two cases) new carburation (dual on one line), silent overhead valve mechanism, new metals—all contribute to greater power and longer life.

Single and double sway stabilizers have been strengthened and moved. Springing is better, with type of independent suspension changed in one or two cases. More cars are using double-acting shock absorbers of the telescoping type. Buick and Cord this year offer a horn operated from a ring around the steeling wheel, rather than a button.

Aids to Winter Driving

Winter operation has been improved by several means, and most cars are offering, either as standard equipment or an extra, a method of by-passing heat from the heater to constantly defrost the windshield. General Motors is talking about its new method of preventing carbureters from flooding. Most frames have even greater strength and rigidity. New air and oil cleaners are worth study. One maker has abolished fender wells for spare wheels. Most cars have more trunk capacity, and better arrangements for spare wheels and tools.

Additions to interior room are notable and acceptable. Motors and seats have been moved farther forward in some cases. There is more leg-elbow-head room. Doors are wider for easier exit, with more drip molding to prevent duckings on wet days. Toe boards have been recessed in one line to facilitate use of pedals. Interior finish, upholstering and hardware are richer, more attractive. Some fuel tanks are larger, with a sump for collection of water and other foreign substances in the fuel.

Rotary door latches eliminate slamming in one line, and give positive and silent closing. Any body movement only tightens the catch.

Industrial North England Builds Complete New City

The first completely Government financed city will be built in Great Britain a few miles from Newcastle on the north-eastern coast. A pick-up in the coal, iron, steel and shipping industries and the expectation of rearmament orders have put new life into this formerly distressed area.

Some 700 acres of land have been secured at a cost of £65,000. There houses will be built for the workers, and near them, modern factories. The new centre should be in operation early next year.

If the experiment is successful other factories will be established and thus a completely new and modern city built up. It is pointed out there are good shipping facilities in the neighborhood of Newcastle and within 125 miles of that city there is a population of approximately 16.5 million people. But during the depression the area has become run down with both houses and factories becoming obsolete.

Bond Sales

County of Carleton

County of Carleton, Ont., has sold $31,000 of 4% installment debentures, maturing 1937-46, to R. A. Daly & Co., Toronto, at 102.89, which is a cost basis to the county of 3.43%. Bids were as follows:

	Bids
R. A. Daly & Co. Ltd.	102.89
Nesbitt, Thomson & Co. Ltd.	102.29
John Graham & Co., Ottawa	101.98
J. L. Graham & Co., Toronto	101.50
Frank L. Craig	101.00

Treasury Bills

The Dominion Government has sold $30 millions of 91-day treasury bills at an average price of 99.81822. This represents an average cost basis to the government of 0.730%. This is the third consecutive sale of treasury bills on which the cost to the Dominion Government has increased. The last sale was made at an average cost of 0.702% as compared with the record low cost of 0.643% secured on Sept. 14.

Cornwall

The town of Cornwall, Ont., has sold $14,274 of 4% 20-year installment bonds, dated Nov. 1, 1936 and due 1937-56, to A. E. Ames & Co. at 103.86. Bids for the issue were as follows:

	Bids
A. E. Ames & Co.	103.86
Bell, Gouinlock & Co.	103.61
Dominion Securities Corp.	103.60
R. A. Daly & Co.	103.53
C. H. Burgess & Co.	103.50
Frank L. Craig	102.00
J. L. Graham & Co.	101.30
Dyment, Anderson & Co.	100.27

Bond Tenders

4 p.m., Nov. 16, Berthierville Sch. Mun.—$48,000 interest not exceeding 4%, dated Oct. 1, 1936, redeemable serially up to 1960, or to 1959.

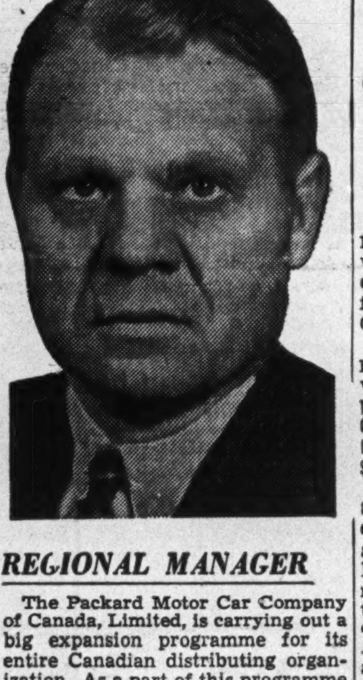
8 p.m., Nov. 16, Victoriaville, P.Q.—$17,500 4%, dated Oct. 1, 1936, redeemable serially from Oct. 1, 1937, to Oct. 1, 1956. Wellie Fortier, sec.-treas.

8 p.m., Nov. 16, Sorel, P.Q.—$222,000 4%, dated Dec. 15, 1936, redeemable serially from Dec. 15, 1937, to 1951. A. O. Cartier, city clerk.

MADE-IN-CANADA

Production started a few days ago on a new line of all-steel passenger trailers shown above, which will be exhibited for the first time at the National Motor Show, Toronto. The interior is shown in the lower view.

Manufacturers are Canadian Top and Body Corp., of Tilbury, who also manufacture bodies for the Hudson Motor Car Co. of Canada.



REGIONAL MANAGER

The Packard Motor Car Company of Canada, Limited, is carrying out a big expansion programme for its entire Canadian distributing organization. As a part of this programme William C. Herring (above) has been appointed regional manager for all of Eastern Canada.

Commercial Alco Sales Ahead of '35

Preference Dividend Covered in Half Year—Plan to Liquidate Arrears

MONTREAL.—Sales of Commercial Alcohol Ltd. are reported to be well ahead of last year, particularly in the magnesia insulating division where sales for the six months ended Sept. 30 exceeded the like period of 1935 by 60%.

According to President C. G. Kertland, the second half of the company's fiscal year is normally its most productive period. In the first six months, however, net profit was sufficient to cover preference dividends for the period and leave a balance which could be applied to arrears.

Commercial Alcohol is now planning to enter the export market, particularly to Australia and New Zealand, states Mr. Kertland.

In connection with the general position of the company, the president states that the matter of reorganization, such as would be involved in elimination of preference arrears and extinguishing the accumulated deficit, has been only informally discussed by the board, but in all probability something will be done before the end of the year.

The company has 50,000 unissued common shares which may be made the medium for eliminating the preference arrears.

Sues Union Gas Co. Ltd. For $75,000 Commission

Legal action against Hamilton By-Products Coke Ovens Ltd., and Union Gas Co. for payment of $75,000 commission on a bond refinancing deal has been commenced by Frank Coste.

The plaintiff, while admitting that he had no specific contract with the two companies, claims that there was an understanding that he would be rewarded for his efforts if he were successful in arranging for the marketing of a new bond issue. Hamilton By-Products Coke and Union Gas both carried out successful bond refunding deals in October and November of last year.

Tourist Imports Only $3 Millions

Ottawa is Well Pleased With New $100 Exemption Clause

From Our Own Correspondent

OTTAWA.—The Department of National Revenue is well satisfied with the manner in which the $100 exemption on goods brought back from other countries by returning Canadian tourists has worked out.

As contrasted with the $50 millions which opposition critics said would thus enter Canada without paying duty, and at the expense of Canadian industries, it is estimated that the total for 1936 will be about $3 millions.

The explanation lies largely in the fact that tourists spend the bulk of their money on actual travelling and by the time they return have little surplus to lay out in commodities to bring back, according to the department. Also the differential between Canadian and American goods is not so attractive as it may have been once.

The only items on which the department has met with appreciable trouble has been automobile tires and radios.

The story is told of one ingenious tourist who drove his car back across the border on the rims, the spare tire racks also being tire-less. Then he went back into the U. S. and brought the tires back with him as baggage.

Excelsior Life Has Busy Month

Excelsior Life Insurance Co. secured the largest volume of business in its history with applications totalling over $3 millions in October. The previous high was in March, 1930, when $2.9 millions was secured.

The company reports a net increase in business in force for the first 10 months of the year, also a decrease in policy loans.

Municipal Finances

North Bay, Ont. tax collections show an appreciable increase over 1935. Collections up to Oct. 17 totalled $458,383. Collections in the first nine months of 1936 were $416,503 as compared with $404,533 in the corresponding period of 1935.

* * *

Toronto, Ont. is to receive $1,207,152 from the provincial government as reimbursement for municipal income tax. This amount is $5,000 less than the figure given in the civic budget estimates.

* * *

Ottawa, Ont. reports that the average monthly gross expenditure for relief for the first nine months of 1936 was $192,131, compared with $178,170 in the corresponding period of 1935. The total outlay for relief in the nine-month period was $1,603,533, an increase of $125,648 over the 1935 period.

* * *

St. Benoit-Joseph-Labre, Que. is paying interest coupons due Nov. 1, 1936. Past due bonds will also receive interest to that date.

* * *

Kamloops, B.C. has sold $10,000 of 4% 15-year debentures at $98.50 and accrued interest. The issue was sold over the counter by the city treasurer and was oversubscribed.

* * *

Parish of St. Benoit-Joseph-Labre, Que. has been authorized by the Quebec Municipal Commission to pay interest for the six months ended Oct. 31, 1936, on notes payable.

* * *

Calgary, Alta. reports that despite substantial deficits in both the street railway and waterworks departments, city utilities showed a profit of approximately $4,000 on operations in the first nine months of 1936. The deficit in the street railway and waterworks departments was offset by profits of the electric light department.

* * *

Chandler, Que. has been authorized by the Quebec Municipal Commission to pay interest coupons due Nov. 1, 1936. Interest on past due bonds for the last half of 1936 will be paid at the beginning of January next.

* * *

Riverside, Ont. taxpayers must pay an additional 2½ mills on the 1936 tax rate to make up the $6,754 which the provincial government is charging back to the town for maintenance of relief recipients who drove cars.

* * *

Windsor, Ont. has been informed by the department of municipal affairs that expenditures are to be made only after the supervisor is shown where money exists in the budget for such purpose. In order to keep the city within its budget the department has turned thumbs down on several proposed expenditures.

* * *

Toronto, Ont., is well within its 1936 budget of $40,170,906, according to a statement by Finance Commissioner George Wilson, covering the first 9 months of the year. Current expenditures for the period totalled $30,430,516, leaving a balance of $9,740,390 for the 3 remaining months.

General expenditures amounted to $18,292,128; education, $8,030,121; special services including debt charges, $4,058,267; housing, $48,086; relief, $2,760,686.

Manitoba Minerals

Revised federal figures show Manitoba mined 1,206,454 fine ounces of silver in 1935, valued at $781,660, against the previous year's output of $594,647.

Enquiry Bares Secret Fund Held by Canadian Cottons

From Our Own Correspondent

MONTREAL. — Canadian Cottons Ltd. in its last balance sheet hid assets of $2¼ millions contained in an undisclosed inventory reserve, according to an admission made by A. O. Dawson, president of the company, before the Turgeon Textile Commission.

This reserve had been set up by the company about 20 years ago to provide against fluctuations on the price of raw cottons and its size varies from year to year. Mr. Dawson is credited with saying that the sound conservative policy of the company had demanded such a reserve.

J. C. McRuer, K.C., commission counsel, while admitting that such a reserve might be good policy, queried Canadian Cotton's president as to why such an asset should be concealed from the shareholders, the public and the government.

Little Known Fund

In defense, Mr. Dawson said shareholders who attended meetings knew of the existence of the fund, but not of its amount. The reserve was worked out on a systematic basis that did not change from year to year. It rose as the market price of cotton rose and fell when the spot cotton price went off.

The reserve was set up in 1916, according to figures produced by Mr. McRuer, when it amounted to $379,000. In 1917 it rose to $823,533, in 1918 to $1.3 million, in 1920 to $2.3 millions and in 1921 dropped to less than $700,000. In 1926 it rose to $2.5 millions from $1.4 million in the previous year. In that same year, McRuer claims that the company said in its report that its profits were not enough to cover $200,000 depreciation charges from the year before.

Questioned on Taxes

Commission counsel suggested that Canadian Cottons owed the Federal Government taxes on the profits put into this reserve under the 1916 War Revenue Act. Income tax had been paid on results shown on the balance sheet, Mr. Dawson replied.

Belding-Corticelli Ltd., of which he is also president, had a similar reserve, Mr. Dawson said.

Mr. McRuer later announced he was laying the facts before the treasury department at Ottawa.

1936 Exhibitors At Motor Show

The following is a list of exhibitors at the National Motor Show opening in Toronto Nov. 7.

Auburn Automobile Co.
Auto Electric Serv. Co. Ltd.
Automobile & Supply, Ltd. (Graham-Paige).
Bendix-Eclipse of Can. Ltd.
Breay-Nash Motors, Ltd.
British Motor Agencies.
Canada Carriage & Body Co.
Canadian Industrial Alcohol Co.
Canadian Top & Body Corp.
Carter's Limited.
Century Electric Devices.
Chrysler Corp. of Can. Ltd.
Collins & Aikman of Can. Ltd.
W. H. Cooper & Co.
Dunlop Tire & Rubber Goods, Ltd.
Encyclopaedia Britannica.
Ford Motor Co. of Can. Ltd.
General Motors of Can. Ltd.
H. E. Givan, Ltd.
Gotfredson Trucks, Ltd.
Grolier Society Ltd.
R. M. Hollingshead Co. of Can.
Hudson Motors of Can. Ltd.
Imperial Oil, Ltd.
International Harvester Co. of Canada, Limited.
Leyland Motors, Ltd.
Mack Trucks of Can. Ltd.
Packard-Ontario Motor Co. Ltd.
Perfect Circle Co. Ltd.
Phillips Glass Co. Ltd.
Prest-O-Lite Storage Battery Co.
Reo Motor Co. of Can. Ltd.
W. E. S. Savage.
Shell Oil Co. Ltd.
Simplex Piston Ring Co.
Studebaker Corp. of Can.
Train Bros. Ltd.
United Motor Service, Inc.
White Co. Ltd.

Power Corp. Group Records Further Gain

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada's controlled and affiliated companies report a higher power output last September than for any other corresponding month in the history of the company. The combined total of 184.9 million kw.h. was 17.7 million kw.h. greater than in September, 1935.

To this increase all the companies contributed and, it is pointed out, as the companies are located in five different provinces, the higher power output indicates increased industrial and commercial activities.

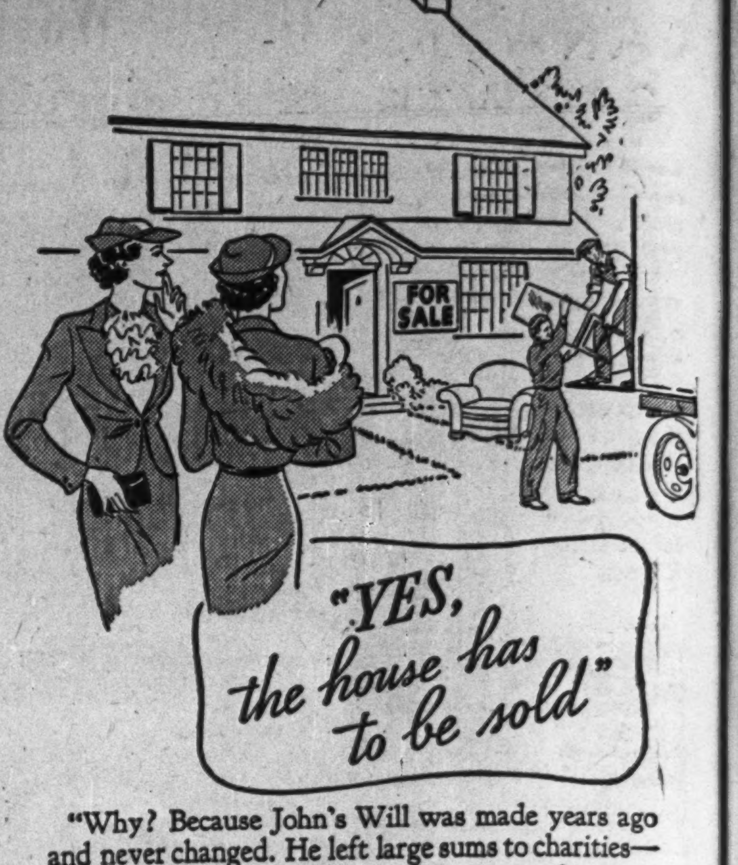
Comparative output figures for September 1936 and 1935 follow:

Kw.h. Output	Sept. 1936	Sept. 1935
Southern Canada	18,663,510	13,999,640
Canada Northern	48,774,892	47,881,836
East Kootenay	7,376,844	7,157,804
B. C. Power	44,173,378	40,151,739
Northern B. C.	927,808	877,820
Winnipeg Electric	64,987,600	57,156,200
Total Kw.h.	184,904,032	167,224,859

U. S. House Building Continues to Gain

Residential building continues to make noteworthy gains in the United States. For the first 9 months of the current year this class of construction in the Eastern half of the country exceeded by almost 25% the total for the entire year of 1935. It is predicted total residential construction for the whole of 1936 will equal 3 times the volume of either 1933 or 1934. For September alone the residential building was almost twice as great as for September 1935 and within 20% of the total for August of this year which along with July and June contribute by far the biggest quarter for residential building in the year.

For the first 9 months of the current year total construction has shown a gain of 71% over the corresponding period of 1935.



"Why? Because John's Will was made years ago and never changed. He left large sums to charities—all right when he was well off, but out of proportion now—you remember his business losses. When the legacies were paid, little remained for Mary and she has to sell the house."

With a differently planned Will, this need not have happened, nor would it, had he revised his Will to accord with his changed circumstances.

Perhaps your Will needs revision? Then consult our officers as they can give you valuable advice.

Ask for a copy of our Booklet "Practical Hints On Making Your Will".

3613

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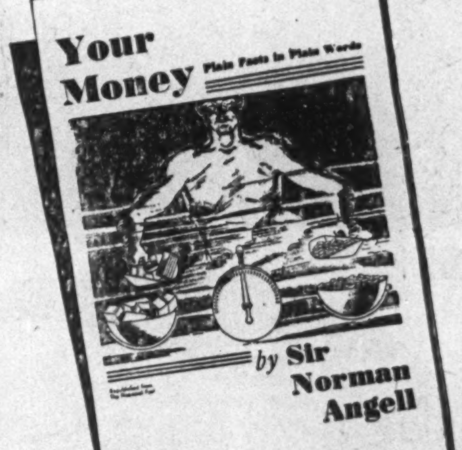

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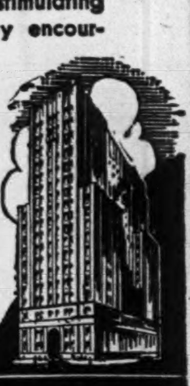

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CANADA PERMANENT Mortgage Corporation

HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

Saskatchewan Silver

Production of silver in Saskatchewan last year more than quadrupled that of the previous year. The 1935 output totalled 201,608 fine ounces, valued at $130,622 compared with 87,551 ounces at $41,522 in 1934.

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Our last balance-sheet and full particulars of the plan of LIVING PROTECTION will be gladly mailed on request.

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40,000 Work In Producing Canadian Cars

Vast Army of Dealers and Workers Spread Benefits of Production

AFFECTS WIDE AREA

The opening of the National Motor Show is the handiwork display of 40,000 Canadians, says R. S. McLaughlin, president, General Motors of Canada, Ltd.

"Although there are only 15,000 employed in motor car factories, there are 25,000 more employed in parts and material industries which depend essentially on Canada's car-making programme. No other commodity produced in Canada requires such diversity of materials and services in its manufacture and distribution.

Three Great Achievements

"Our three great achievements are: First, the production of two million cars in the past 15 years valued at $1.5 billions. Second, attainment of fifth place among the world's producers of motor cars. Third, livelihood for 2,736 dealers and their 20,000 employees.

"Most important and least appreciated accomplishment, however, has been the net cash return paid to Canada. There is clearly a balance on the right side because the industry pays out for Canadian labor and materials more than it collects for the cars at the factory.

"The industry's disbursements in Canada this year were in excess of Canadian sales collections by many millions. In 30 years, this excess has probably amounted to more than $100 millions, recent years being better than the early years of the industry, when much more material was imported than is the case now."

Huge Parts Manufacture

Speaking on this same theme, H. J. Carmichael, vice-president and general manager of General Motors of Canada, says:

"Most people visualize the building of a motor car in terms of assembly operations, and fall into the error of thinking these assembly operations — simply because they are spectacular — are of supreme importance. This is not the case. The manufacture of car parts is of far greater economic importance than the assembly of such parts in so far as the provision of employment is converned. The labor involved in casting, forging, machining, and other operations performed on parts is greatly in excess of the labor the assembly requires.

"To such an extent is this the case, that many secondary industries in Canada would disappear if it were not for the outlets which the motor car provides for their product.

Three-fold Benefit

"Long before the manufacturing staffs of the industry are in full swing putting their new cars together, huge orders have been placed for materials. Canadian factories in at least 80 towns, cities and villages put on steam to send a stream of material flowing to the assembly lines.

"There are 15 manufacturers in Canada, employing about 15,000 men. But the extent to which the contributing industries are benefitted is plain from the further fact that the total of those directly and indirectly employed in the production of automobiles in Canada is nearly three times that figure. Thus, while the assembly factory workers, with an average of three dependents, represent approximately 60,000 of our population, the population supported by labor both directly and indirectly employed is something like 180,000 people."

Must Cut Wood Or Lose Right

New Brunswick Takes Step to Force Exploitation Crown Limits

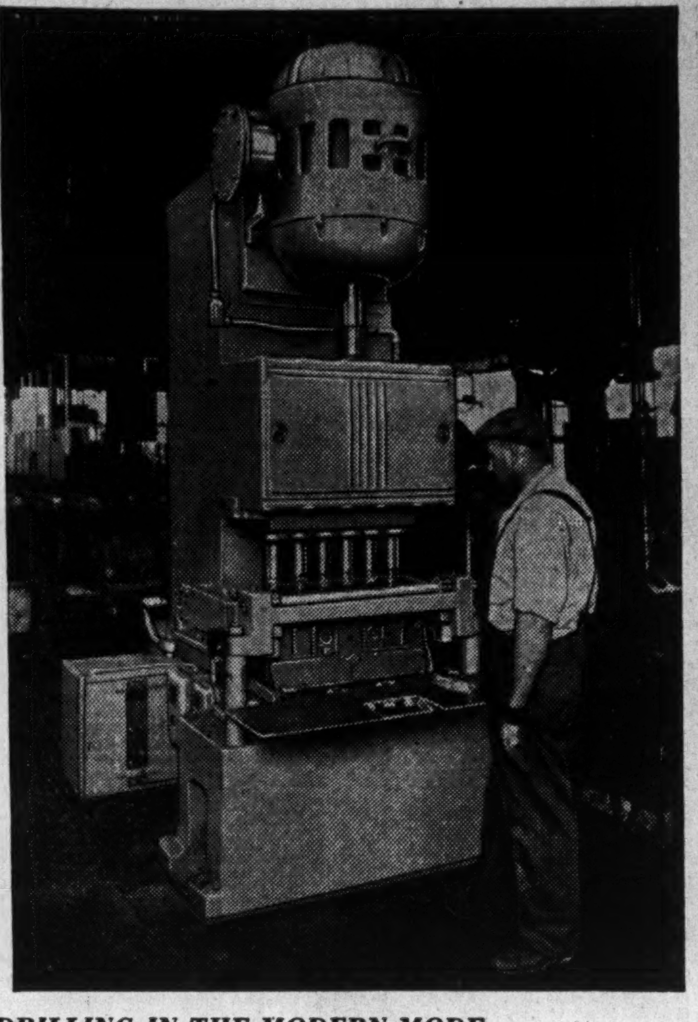
Reactionary tactics to obstruct or frustrate full utilization of Crown Land resources will be overcome, the New Brunswick government expects, through new timber regulations established by Order-in-Council.

Long term license holders will no longer be permitted to retain their holdings in idleness. Unless proof is submitted to the minister that the land is incapable of producing the minimum, each limit must yield at least 12,500 superficial feet of timber per square mile, of which not less than 2,500 feet must be hard wood.

Under the new regulations the onus was placed entirely upon licensees. They must operate holdings on their own account or grant permits for others to operate and they must file with the minister by October 1 each year a statement indicating for the current year what they intend to cut themselves and what they intend to have cut under permits to others.

Should a licensee fail to file such a statement, the minister is empowered to grant permits to others to cut any species of timber on the limits comprised in the license.

So far there is no indication of how the new regulations will affect the pulp and paper operators. Fraser Cos. is engaged in the lumbering business, so that it will not have difficulty in complying with the order. New Brunswick International Paper and Port Royal Pulp, on the other hand, are pulp and paper operators. They may farm out some of their limits for cutting of hard wood in order to comply with the new order-in-council.



DRILLING IN THE MODERN MODE

As part of a $3 millions modernization and expansion programme, General Motors of Canada will build its 1937 Pontiac engines in Canada. This new machine at the company's Windsor plant will drill the blocks which will not only be cast and bored in Canada but will be equipped with pistons which are machined and crankshafts which are drop-forged and machined in Canada. Addition of some 10,000 engines to the Windsor programme will bring total number of motors built at Windsor for General Motors to over the 60,000 mark.

Jobless Grubstaked

B.C. Devises Plan for Training and Equipping Young Prospectors

From Our Own Correspondent

VANCOUVER. — Hundreds of young men in British Columbia are being given a unique opportunity of entering into the mining field as a result of the sponsorship by the provincial government of training camps and its co-operation in getting young prospectors on their feet financially.

Not only has this programme resulted in reducing the unemployment lists, but it has helped build a foundation for future mining activity by stimulating interest in its possibilities among the youth of the province. It has also resulted in several cases in mineral discoveries.

Primarily as a measure of meeting the unemployment situation by encouraging promising young men to leave the cities for the open, the government established placer mining training camps at Emory Creek, Nanaimo, Cherry Creek and near Quesnel in the Cariboo country. The work was done by the department of labor in co-operation with the department of mines.

Each camp was assigned 25 men, and after a course of instruction by an experienced mining man for a month or 6 weeks, those recruits who showed a real interest and sufficient knowledge of the work were given equipment and a small grubstake and advised where they might obtain the best results as independent prospectors.

"The idea was a good one from the start," commented Hon. George S. Pearson, minister of labor and mines. "Mining is an ideal game for a young fellow to get into, and the government thought it would be the best kind of investment to give a helping hand to those who showed promise and were willing to go into the hills. So far as we can learn, the majority of these lads will go prospecting on their own next year. Their experience this year demonstrated to them and to us that the experiment was well worth while."

The B. C. Chamber of Mines has also assisted in providing effective training for young prospectors. This winter the Chamber is providing a series of lectures, beginning this month, classes being held at one of the city schools under the supervision of trained mining men for all those who register.

The course is designed to train men in prospecting and to provide them with an elementary knowledge of mineralogy, geology, mining and assaying. No examinations are held or degrees given, nor is it necessary to purchase books or equipment. Instruction is given in form of lectures, with 5 or 6 students grouped at each table, so that notes may be taken and studied at home. Last year there was a regular attendance of 130.

The instructors include some of the most eminent authorities on mining in the province. They are Prof. J. M. Turnbull, M.E., head of the mining and metallurgy department at the University of British Columbia; Dr. Harry V. Warren, instructor of mineralogy and petrology, University of British Columbia; Dr. Victor Dolmage, consulting engineer, Vancouver, and G. S. Eldridge, B.Sc., head of the firm of Eldridge & Co., assayers and chemists of Vancouver.

Quebec Town Fire Loss At Vanishing Point

There were no fire free Canadian municipalities in the 5,000 to 10,000 population group in 1935. But Lauzon, a Quebec town, recorded the next thing to it. A total fire loss over the year of only $131 resulted in a per capita loss figure of a mere 2 cents.

Firefighters in Weston and Leamington in Ontario, Trail in British Columbia, and Stellarton, Nova Scotit, also had very light tasks

FIRE LOSSES IN MUNICIPALITIES WITH POPULATION OF 5,000 TO 10,000

Municipality:	Population 1935	Total property loss, 1935	Loss per capita 1935	Loss per capita 1934	Loss per capita 1933
Ontario—					
Barrie	7,856	17,453	2.22	7.58	6.28
Brampton	5,500	3,035	0.55	0.52	1.98
Brockville	9,874	63,125	6.39	1.98	3.60
Cobourg	5,500	3,482	0.63	6.49	0.98
Collingwood	5,500	10,786	1.96	0.53	0.85
Dundas	5,000	11,855	2.37	2.35	1.00
Eastview	7,000	1,740	0.25	1.13	0.88
Fort Erie	6,000	32,440	5.41	0.82	4.00
Fort Frances	5,300	10,709	2.02	3.11	3.42
Hawkesbury	5,550	3,450	0.62	0.83	0.07
Ingersoll	5,500	5,206	0.95	10.50	0.68
Kenora	7,755	5,361	0.69	3.69	5.12
Leamington	5,020	326	0.06	0.64	0.57
Lindsay	7,200	7,005	0.97	1.70	3.01
Midland	6,745	8,400	1.25	2.79	4.26
Orillia	8,900	55,198	6.20	9.10	6.95
Port Colborne	5,800	17,863	3.08	1.16	4.13
Preston	6,281	1,116	0.18	2.58	...
Renfrew	5,400	827	0.15	0.91	1.09
Simcoe	6,000	2,345	0.39	2.75	4.62
Smiths Falls	7,500	2,146	0.29	0.92	0.32
Sturgeon Falls	6,000	11,067	1.84	0.15	1.82
Thorold	5,000	22,008	4.40	3.16	1.71
Trenton	6,000	19,181	3.20	2.12	3.54
Wallaceburg	5,000	2,171	0.43	4.42	1.54
Waterloo	8,310	5,619	0.68	0.34	0.21
Weston	5,040	275	0.05	0.60	0.25
Quebec—					
Buckingham	5,000	4,200	0.84	1.31	8.24
Cap de la Madeleine	9,998	6,207	0.62	0.92	1.57
Drummondville	8,000	7,670	0.96	0.08	2.45
Grand'Mere	8,500	7,125	0.84	1.56	0.29
La Tuque	7,000	61,949	8.85	2.24	1.06
Lauzon	6,932	131	0.02	0.37	0.34
Longueuil	6,000	1,155	0.19	0.66	1.17
Magog	7,300	7,354	1.01	0.04	0.45
Rimouski	5,850	11,609	1.98	0.33	0.17
Rivière du Loup	8,500	7,886	0.93	0.92	1.27
St. Jérome	9,800	9,680	0.99	1.51	0.83
St. Lambert	6,271	15,090	2.41	2.65	0.42
St. Laurent	5,500	70,946	12.90	3.80	11.15
Victoriaville	6,482	42,150	6.50	0.38	0.83
Manitoba—					
Portage la Prairie	6,200	4,875	0.79	0.65	6.21
Saskatchewan—					
North Battleford	6,000	4,980	0.83	3.63	3.82
Swift Current	5,320	2,952	0.55	0.75	1.46
Weyburn	5,000	1,040	0.21	0.12	1.13
Yorkton	5,500	2,520	0.46	2.85	0.67
British Columbia—					
Nanaimo	9,000	4,784	0.53	0.76	0.56
Nelson	9,000	12,637	1.40	2.36	0.46
North Vancouver	9,000	1,658	0.18	0.16	1.19
Prince Rupert	6,300	31,435	4.99	0.18	3.77
Trail	9,500	659	0.07	0.15	0.06
Nova Scotia—					
Amherst	7,400	9,755	1.32	0.97	2.08
New Glasgow	8,000	13,444	1.68	7.62	6.92
New Waterford	9,000	16,375	1.82	0.69	0.72
North Sydney	6,000	24,775	4.13	2.36	5.43
Springhill	7,000	43,962	6.28	2.11	1.47
Stellarton	5,000	714	0.14	2.96	0.32
Sydney Mines	7,500	12,872	1.71	5.39	1.47
Truro	9,000	27,968	3.11	1.96	3.10
Yarmouth	7,200	33,650	4.67	2.78	1.18
New Brunswick—					
Campbellton	6,505	7,149	1.10	1.27	14.62
Edmundston	7,000	32,375	4.63	8.83	4.80
Fredericton	9,000	21,200	2.36	1.88	3.33

Weekly Bank Clearings

	Oct. 29 1936 $	Change Year Ago %	Oct. 22 1936 $
Halifax	2,148,053	+ 7.7	2,376,556
Moncton	696,147	— 2.1	862,753
Sherbrooke	554,193	— 1.0	622,030
Quebec	4,247,588	— 4.0	4,214,883
Montreal	96,942,058	+ 4.2	111,301,651
Ottawa	18,300,447	+21.1	38,353,593
Kingston	510,258	— 0.2	625,841
Peterborough	538,504	—26.3	659,158
Toronto	109,780,124	+ 0.6	121,780,711
Hamilton	4,311,160	+ 6.5	5,286,270
Kitchener	982,285	+ 4.3	1,139,198
Brantford	831,923	+20.5	1,057,418
London	2,241,811	—15.3	3,187,999
Chatham	476,250	+20.2	527,115
Windsor	2,461,529	+17.9	2,903,883
Sarnia	366,540	— 3.9	520,873
Sudbury	1,028,880	+16.3	893,115
Saint John	1,761,679	+14.5	1,903,123
Fort William	590,625	+ 8.3	807,759
Winnipeg	55,912,332	—17.6	75,345,621
Brandon	319,677	— 8.9	431,521
Regina	4,977,005	—21.7	6,674,580
Moose Jaw	752,818	+27.9	964,072
Saskatoon	1,672,110	—16.4	2,045,469
Prince Albert	353,202	— 8.5	502,377
Edmonton	3,896,381	— 3.8	4,961,963
Calgary	6,296,400	—36.1	7,907,781
Medicine Hat	287,092	—12.5	290,923
Lethbridge	473,007	—10.4	550,529
N. W'minster	669,954	+ 5.1	646,790
Vancouver	17,782,629	+17.5	20,229,742
Victoria	1,419,323	— 4.1	1,904,101

Defense Plan Tabled Until King Returns

Policy Will Probably Be Compromise of Two Groups

TALK AVIATION

From Our Own Correspondent

OTTAWA.—A Canadian defence policy will be discussed by the Dominion cabinet as soon as regular sessions resume with Premier Mackenzie King again in active charge of affairs.

Though individual members of the Ministry have been giving considerable thought to the matter, and some technical reports have been prepared on the defence of Canada's eastern and western coasts, the cabinet is not yet committed to any programme, The Financial Post understands.

Watch Public Reaction

The reaction of the country to the semi-official forecasts of increased expenditure on armaments is being closely watched. The policy of the Mackenzie King administration will be shaped largely on popular sentiment and will inevitably be a compromise between the ambitions of the ardent militarists and the negative attitude found mainly in Quebec and the prairie West.

It will be a nationalistic defence policy in the sense that it contemplates no movement of troops or other forces into other battle areas.

Individual members of the cabinet appear to be reconciled to a moderate increase in expenditure for defence purposes, designed to enforce Canadian neutrality. At the same time the nature of the increase will be subject to close scrutiny. Quebec ministers are said to be opposed to a naval programme of any kind.

May Expand Air Force

The easiest programme to get through the Cabinet and Parliament will be an aviation scheme, with the civil and commercial aspects stressed as much as possible, and the view in government circles is that at the forthcoming session this will be provided for.

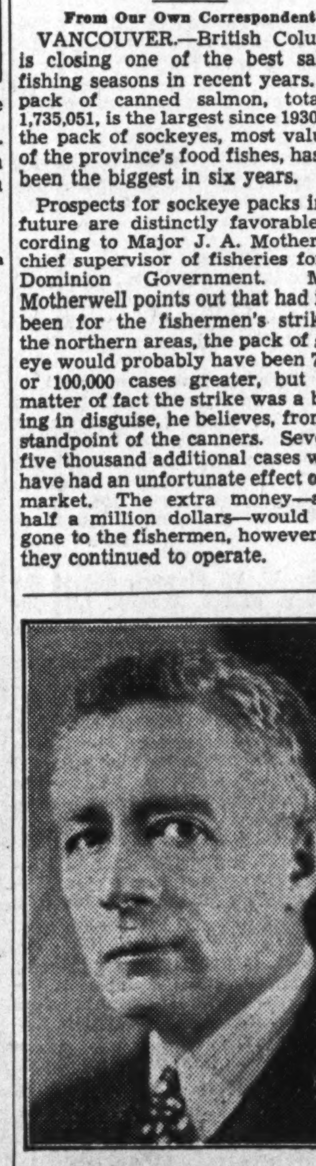
Cabinet members believe such a programme can easily be defended on the ground that Canada has lagged far behind her aviation requirements in recent years; and that in event of war the possession of a reserve corps of skilful fliers, and a nucleus of modern machines, would be of great value as a defence weapon.

B. C. Salmon Catch Seen Best in Years

From Our Own Correspondent

VANCOUVER.—British Columbia is closing one of the best salmon fishing seasons in recent years. The pack of canned salmon, totalling 1,735,051, is the largest since 1930, and the pack of sockeyes, most valuable of the province's food fishes, has also been the biggest in six years.

Prospects for sockeye packs in the future are distinctly favorable, according to Major J. A. Motherwell, chief supervisor of fisheries for the Dominion Government. Major Motherwell points out that had it not been for the fishermen's strike in the northern areas, the pack of sockeye would probably have been 75,000 or 100,000 cases greater, but as a matter of fact the strike was a blessing in disguise, he believes, from the standpoint of the canners. Seventy-five thousand additional cases would have had an unfortunate effect on the market. The extra money—about half a million dollars—would have gone to the fishermen, however, had they continued to operate.



MAN BEHIND SHOW

J. L. Stewart, general manager of the National Motor Show which opens this week in Toronto. He is secretary-treasurer of the Canadian Automobile Chamber of Commerce.

Motor Industry Spends Millions To Modernize

Huge Sums Spent to Equip Plants With Latest Machinery

EXPAND FACILITIES

Few industries have been more alive to the magic of modernization than the automobile industry. And 1936 has been no exception.

When the new 1937 models make their debut at Toronto this week they will have behind them a story of improved plant and mechanical plant facilities and equipment that has few equals in any other industry.

General Motors Programme

For example, General Motors of Canada when it has completed its present programme will have spent something like $3 millions in plant modernization and new equipment and re-tooling for its 1937 models.

This sum represents new buildings, factory rearrangement and modernization at Oshawa, Walkerville, and at the McKinnon Industries plant in St. Catharines. The degree of Canadian material and workmanship in the 1937 cars will be higher than ever before, because at the three plants mentioned the manufacture of parts not previously constructed in Canada has been undertaken.

At Oshawa, the adoption of the new "Unisteel" construction for all-silent all-steel turret-top bodies has expanded the welding plant considerably, and doors are now being built there for the first time.

At St. Catharines, a new type of rear axle gear is being forged, cut and finished, and new buildings have been erected for forge shop, gear assembly, and power plant.

At Windsor, the company's plant this year is building the Pontiac engine, as well as Chevrolet and the assembly of McLaughlin-Buick and Oldsmobile, and for the first time has begun to make crankshafts from start to finish.

Ford and Chrysler

Similarly with Ford of Canada whose big drive for improved facilities and more economical operation culminated last year in an expenditure of something like $4.5 millions on a new steam plant and electric furnace foundry. The company got a chance during 1936 to work this new equipment into use and for 1937 will be able to take advantage of the economies and improved facilities made possible by this expenditure.

Chrysler Corp. of Canada have also expanded and improved their production facilities in Canada. In the fall of 1935 this company turned the sod for a new $350,000 building which has enlarged and improved production for Canadian cars.

One important feature in the new set-up for manufacture of 1937 cars is the increasing Canadian and Empire content which has been encouraged by recent changes in the Canadian tariff. This means that parts and equipment not previously manufactured here are now being added to Canadian output.

Alberta Malting Barley

Highest malting barley prices in 17 years are bringing good returns to farmers of the Edmonton district. Returns in some cases have been as high as $4,000. Many farmers have had net returns of around $1,500 and $2,000.

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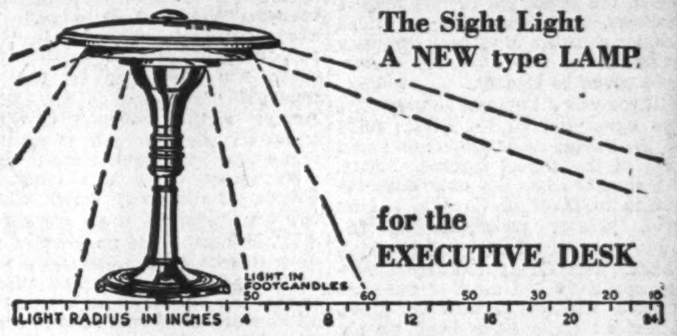

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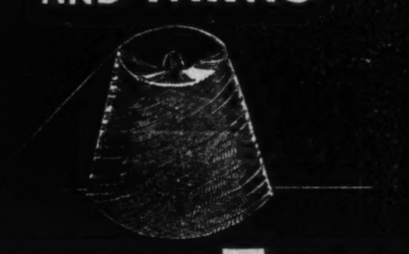

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B. C. Business Anxious About Empire Treaty

Ottawa Agreement Has Been Great Stimulus to Industry

FIGURES TELL STORY

From Our Own Correspondent

VANCOUVER.—While appreciating the value of the American market and deploring any movement that might lead to cancellation of the present quota arrangement under which B. C. may ship to the republic, lumber operators here are more concerned over the fate of Empire trade agreements. True, they have been assured from more than one reliable source that no change is contemplated in the present set-up, but the fact remains that the tremendous revival staged by the B. C. lumber industry has been due, not to the increased American business at all, but to the huge proportions attained by shipments to the United Kingdom and other Empire countries.

U. S. Lumbering Depressed

It is clearly understood in the American Northwest lumber centres, too, that the Empire tariffs have had a much more potent effect on their lumber business than has the treaty negotiated between President Roosevelt and Premier King. They know that the major reason for depression in the American lumber business as contrasted with the prosperity of the industry in British Columbia is not that B. C. is shipping a small amount of lumber into the United States, but because B. C. has been gradually corralling all the export business offering in the important British Empire markets, from which the American lumber shippers have been virtually excluded by reason of the preference given to Canada.

There was a time not so very long ago when the United States mills on the Pacific coast controlled about 70% of the export market. Today, the situation has not only been reversed in favor of Canada, but an even greater proportion of the trade is in British Columbia's hands. With China and Japan buying sparingly and most of the non-Empire markets relatively quiet, American mills have been unable to get much of a foothold anywhere for their export sales. British Columbia is shipping lumber almost everywhere, but chiefly to the British countries, the United Kingdom alone accounting for more than half a billion feet this year.

Lead in Empire Trade

As a matter of fact, all British Columbia's basic industries would suffer severely from any modification of the Ottawa agreements. This year British Columbia's exports of all kinds will probably run as high as $90 millions and no one would be greatly surprised if the value surpassed $100 millions. The British Empire will account for more than a quarter of this business—far more than any other nation or group of nations.

Among the products, apart from lumber, that British Columbia is selling in large volume to the Empire are lead, zinc, apples, canned fruit and canned salmon. This business is due very largely to the preferential tariffs granted under the Ottawa agreements. In the fiscal year 1930-31, for example, the British market took goods worth about $10 millions from British Columbia. By 1933-34 after the treaties had gone into effect, this had increased to $16 millions. In 1934-35 it reached $22 millions and last year the total was about $25 millions. The present year should set a new all-time high.

Dr. W. A. Carrothers, acting as economic advisor to the provincial government, has prepared an analysis of the situation, and points out that as against Britain's purchases of $22 millions in B.C. in 1934—the last year for which figures are so far complete, the United States bought goods to the value of $16 millions; eastern Canada, $10 millions; the prairie provinces, $9 millions; Japan, $8 millions; Australia, $5 millions; China, $3 millions.

Dr. Carrothers adds: "The largest export to Britain is in forest products, a business largely built on the trade treaties. Last year this business was worth $6 millions to British Columbia and represented almost exactly a fifth of all exports of forest products. It was made up almost entirely of lumber, with about $500,000 for doors and $200,000 for pulp and paper.

"Up to the end of August this year Britain had bought about $5 millions worth of lumber here, 343,235,000 feet, compared with the entire B. C. lumber export for that period of 756,649,000 feet. As against this the United States had bought 116 million feet, China 88 million, Australia 83 million, Japan 22 million.

"The Okanagan apple grower, too, finds his chief export market in Britain. Last year 2 million boxes were shipped there, bringing about $2 millions into British Columbia. In 1931-32 the total apple shipment to Britain was only 416,782 boxes.

"Canned salmon from British Columbia sold to the amount of 192,223 cases in Britain last year and brought the province $4.1 millions. In 1932-33 this business was worth $1.9 millions.

"Britain bought $5 millions worth of lead from here last year and about $6.5 millions worth of zinc.

"These products are all covered by the 1932 treaties which, under Article 2, place a duty of four shillings six pence per hundredweight on foreign apples, allowing the Canadian fruit to enter free; and levy a 10% duty on timber, canned salmon, zinc and lead from foreign countries, with free entry for these products from Empire countries, with the understanding that zinc and lead must be offered at world prices."

Canadian Clay Products

Sales by Canadian operators of clay deposits and producers of clay products were valued at $373,476 in July against the June valuation of $343,591 and the July, 1935, total of $348,978.

"Inside Stories" Untold In Dr. Manion's Volume

Canada has three major problems: Finance, railways, unemployment. This is the view expressed by Hon. R. J. Manion, member of the Conservative government of Prime Minister Bennett, in his new volume of reminiscences published this week. Under the title "Life is an Adventure" the Fort William surgeon, who entered public life after returning from the war and quickly achieved cabinet rank, tells of his two score and 10 years, sizes up some of the public men with whom he has come in contact and concludes with some views on Canada's most pressing problems.

Says Debt Compromise Needed

Dr. Manion sees a need for balancing the budget but expresses the opinion that our present public debts cannot be carried without a huge increase in Canadian business.

He argues for a compromise with our creditors. "This proposal" he says "may agitate certain financial groups but let me draw to their attention that Canada is facing a very critical situation. During the war we forced our boys to give their lives. One can hardly claim government bondholders are more sacrosanct." Curiously, Dr. Manion's discussion on debt compromise includes no references to the very large interest rate reductions effected through normal refunding operations by his own government.

On the subject of railways, Dr. Manion recalls that he accomplished something, as minister of railways, in placing the Canadian National Railways "probably for the first time in a dozen years, in a position of being economically managed."

It is not true, he declares, that the railway problem can be solved by amalgamation or unification. He says "I submit that practically the same economies can be made under co-operation as under unified management, if co-operation is enforced between the two railways." He avers that, so far there has been no real attempt at co-operation between the roads and for this he puts half the blame on the C.P.R. Among possible co-operative economies he lists are union of railway yards and terminals; joint shop work; joint ticket and telegraph offices; one railway hotel where two are planned.

Dr. Manion offers no panacea for unemployment but reiterates a proposal made by him in 1931 that a special tax be placed on incomes of all kinds to build up a fund to carry on public works in times of depression.

Laurier His Ideal

The former minister of railways writes candidly concerning many of the men he has known in public life. Of the five prime ministers known by him, Sir Wilfrid Laurier was closer to Sir John A. Macdonald, his ideal, than any other; Borden was the soundest; Meighen, the ablest debater; Bennett, the most brilliant and King, the best politician.

Of Mr. Bennett, Dr. Manion speaks with mixed reverence and asperity. He is "a complex and contradictory character." While the most brilliant Prime Minister Canada has ever had, he is the most temperamental and explosive. A great parliamentarian; he would have made an even greater higher church dignitary such as a bishop. A magnificent speaker, he can be either coldly logical or highly emotional. He can make rousing oratorical appeals to the masses.

Mr. Bennett, says his late associate, "can be one of the most lovable and attractive of leaders when in the mood—which is about half the time." His temperamental explosiveness costs him loyal friendships that he should cherish and his apparent contempt for the opinion of others stirs up antagonisms against him with the result that he fails to get the best from friends and lieutenants. He could have become one of the most idolized of

HON. R. J. MANION

leaders but "seems determined to show himself at his worst." He never gave his cabinet ministers, individually or collectively, any public credit for their accomplishments and that led people to estimate them as a group of nonentities and led also to the feeling that Bennett headed a one-man government or dictatorship.

Equally frank are Dr. Manion's comments on King, (kindly companion, generous, thoughtful, given to prolixity in his speeches and without a sense of humor); on Meighen (greatest debater of his generation but nothing of a demagogue; fearless, lovable, simple, loyal and very human, but without the qualities that make a successful party leader.)

Stevens is Ignored

Harry Stevens is not mentioned by name anywhere in Dr. Manion's book but the bitterness of his disappointment with the man he once loved and trusted is shown by a brief reference to "the so-called Reconstruction Party Leader's frank attempt to wreck the party and friends with whom he had been associated for a quarter of a century, in the egotistical expectation that he would be at least the leader of the opposition with its emoluments of office."

Dr. Manion deals at length with his boyhood in the growing hamlet of Fort William, with his days as a medical student in Toronto and abroad, and his peace and wartime adventures in surgery. During the war he was nominated as Liberal candidate for Parliament but came into politics with the Union government. That was in 1917. When the Unionist party dissolved, Dr. Manion found himself metamorphosed into Conservatism and in 1921 became a cabinet minister.

There is in the volume some sketchy history of Dr. Manion's work as a departmental chief including his relations with Sir Henry Thornton but the record adds nothing important to what has hitherto been published.

Hasn't Told All

This is the disappointing feature of the volume; Dr. Manion has preserved inviolate any "inside stories" of events and policies with which he has had intimate contact. Possibly he feels that the time has not come for him to follow the practice of British statesmen and record for posterity the inner interpretation of contemporary events. But if it is too soon for him to write freely one wonders why he bothered to write at all about his public life?

The volume reveals a man of delightful personality, kindly, generous, with more than a touch of Irish romanticism in his make-up.

Ryerson Press, Toronto are the publishers of "Life is an Adventure."

Four Will Share In Air Monopoly

Company Will Be Named By Ottawa Within Six Weeks

From Our Own Correspondent

OTTAWA.—Within the next six weeks the government plans to lend a hand in the formation of a semi-public, semi-private aviation company which will be granted a monopoly of government services in spanning the continent by air.

The new company will be formed by co-operation between Canadian Airways, the Canadian National and the Canadian Pacific Railways. The government will have a finger in the pie both through ownership of Canadian National shares and also through the Transportation Commission which will draw up safety regulations, and set tariffs, for the operation of the aviation lines.

Saskatchewan Rescinds Champion Mtge. Permit

Reports from Regina state that the permit of Champion Mortgage Corp., Edmonton, allowing operation in Saskatchewan has been rescinded according to A. E. Fisher, Saskatchewan insurance commissioner.

It is stated the permit was rescinded because Champion Mortgage Corp. had not applied for or secured a license under the new Saskatchewan Companies Inspection and Licensing Act.

Champion Mortgage Corp. sells term savings certificates on which the purchaser makes periodical deposits. The company's balance sheet shows minor investments in mortgages and certificate loans and that most of the cash value of certificates is invested in bonds. The exact nature of the bond holdings is not given in detail.

Maritime Tel. and Tel. Toll Traffic Slows Down

From Our Own Correspondent

MONTREAL.—Long distance toll traffic handled by the Maritime Telegraph and Telephone Co. during September aggregated 132,162 completed calls. It represented a decline of 5,238 calls from the preceding month and 2,734 calls less than the corresponding month of last year.

Provincial Paper Earnings Higher

Has No Immediate Plans For Refunding of Bonds

With sales showing improvement, earnings of Provincial Paper Ltd. in the current fiscal year will show slight improvement, The Financial Post is informed. Net profit in 1935 amounted to $376,890, which is equivalent to $10.77 a share on the company's preferred stock and $1.32 a share on its common stock.

In addition to better sales, the reduction in power costs at the company's Port Arthur mill will also contribute to higher profits. Recently the Hydro-Electric Power Commission of Ontario reduced the price of power supplied to this mill from $21 to $18 per horsepower.

The company has no immediate plans for the refunding of its $3.8 millions of 5½% first mortgage bonds, The Financial Post is informed by S. F. Duncan, president. In view of the successful refinancing operations of Howard Smith Paper Mills and Canada Paper Co., however, it is possible that directors will give consideration to such action.

New England Power Plans New Bond Issue

From Our Own Correspondent

MONTREAL. — New England Power Co., subsidiary of New England Power Association, has filed registration with the SEC covering $10,067,000 3¼% first mortgage bonds, series A, due 1961, and has also filed an application asking to be exempted from the necessity of filing a declaration under the Public Utility Act covering the issue. The proposed bonds are to carry a sinking fund of 1% of the largest principal amount of series A bonds outstanding at any time on or before Jan. 15, 1938, and each Jan. 15 thereafter.

Proceeds of the sale of this issue are to be used, together with other funds, to redeem Jan. 1 at 105 $10,067,500 5% first mortgage bonds due 1951.

Annual interest requirements on the new bonds will be $327,177 against annual requirements on the present issue of $503,350.

Air Service In Maritimes Starts Soon

Eastern Canada Airlines Explains Efforts—Hope For Contracts

HAS 5 PLANES

Complaining of a recent article in The Financial Post, Eastern Canada Airlines Ltd., Moncton, N. B., states in a letter to this newspaper that the company has not been rebuffed by the government. Stating that its passenger service will probably start within a few days, the company explains its efforts to establish a regular air service in the Maritime Provinces as follows:

"Eastern Canada Airlines Ltd. was incorporated in 1934 with an authorized capital of $100,000. The company met with little success in its first endeavor to place the stock. Early this year, however, approximately $70,000 was subscribed, most of which has since been paid into the treasury of the company. And the company was enabled to purchase and pay for five planes, hire the necessary personnel, install the necessary equipment and prepare for operation of a daily passenger service in the Maritimes. The planes have been delivered and are in process of being assembled at the present time. Passenger service will in all probability, commence within 10 days.

Business Buyers

"The shares of the company were disposed of at a very small expense and practically all shares were taken by prominent businessmen in this part of the country. High-pressure methods were not used and all provincial regulations have been complied with.

"Contrary to your report, the company is not offering shares. The only shares being offered to the public are shares purchased outright by Loughlin & McKenzie Ltd. reputable brokers and members of the Investment Dealers' Association of Canada, who have no connection with the company other than being represented on the board of directors by R. G. Loughlin of Fredericton, N. B.

Hopes for Contracts

"Contrary to the suggestion outlined in your report, the company has every hope of obtaining mail contracts, although it also hopes to be successful without mail contracts. It is establishing primarily a passenger service and will carry freight and express. Negotiations are at the moment pending with certain companies whereby our company will handle express and freight. We have every reason to expect the co-operation of the Maritime Ministers who have been approached in regard to mail contracts and feel confident that once our service is established, if there are any mail contracts being given, we will get our share. We will not be competing with the proposed Trans-Canada Air Service.

"As far as obtaining a license is concerned, as we understand it, no licenses have been granted to any company in Canada pending coordination of the federal departments. We have made our application for a license to the proper department and unless the government is prepared to suppress air transportation in this country, there is not the slightest doubt that a license will be granted to us. In any event, our application for a license has not been refused and we venture to suggest that if it is refused there will be a storm of protest throughout these provinces."

Obituary

Benjamin Hallowell Brown, J.P., F.S.S., president and general manager of the Prudential Trust Co. Ltd., until his retirement in 1928, and president of the Toronto Safe Deposit Co., and Permanent Agencies Ltd., Montreal, at his home in Montreal. He was 81.

• • •

William Thomas Oughtred, president of the Canadian Telephone Co., at his Eastern Townships home at Marbleton, Que. He was also a director of the Eastern Township Telephone Company.

• • •

Lucien Hardy, founder and head of the brokerage firm of E. L. Hardy and Co. at his home in Quebec City. He was 49.

• • •

Johnson Howard Pearn, president, Sussex Ginger Ale Ltd., and a director of Wallace Manufacturing Co. Ltd., at his home in Sussex, N.B. He was born in Ontario in 1882.

• • •

Sir Newton Moore, president of Dominion Steel and Coal Corp. until ill health compelled his resignation last September. He died in England. Sir Newton was born in Australia in 1870, was premier of Western Australia from 1906 to 1909 and a member of the British House of Commons from 1918 to 1931.

• • •

John W. W. Stewart, one of the founders of the Monarch Life Insurance Co. of Winnipeg and later its managing director and vice-president. He died at his home in Toronto, aged 68.

• • •

Edmond James Pearson, secretary of the Nissouri Farmer's Mutual Insurance Co. since its formation 47 years ago. He died at his home in Kintore, Oxford County, Ontario in his 88th year.

• • •

Louis F. Philie, Director of Finance of the City of Montreal, at Ste. Jeanne d'Arc Hospital, in his 58th year.

• • •

Hon. T. C. Norris, former premier of Manitoba and a member of the Board of Railway Commissioners until a month ago. He died in Toronto, age 75.

• • •

Francis Arthur Drummond, aged 80, well-known Winnipeg insurance executive of the firm of Robinson and Waugh, at his home in Winnipeg. He was one of the pioneer businessmen of Winnipeg.

• • •

Arthur G. Gainer, for 25 years managing director of Gainer's Ltd., Edmonton, Alberta packing firm. He died at his home in Edmonton, aged 52.

Dividend Payments Increase $1.3 Million In November

November dividend declarations of Canadian corporations are $1.3 million higher than in the corresponding month of 1935, amounting to $4.6 millions, a compilation by The Financial Post shows.

Bond interest payments, however, at $39.5 millions are $5 millions lower than in the same month of 1935.

Contributing to the increase are higher payments on the common stock of Coast Breweries and Guelph Carpet. Increased payments on the preferred stocks of International Utilities are also a factor.

Payments on arrears of preferred dividends are being made by Russell Motor and Standard Steel. Only two companies have declared extra dividends payable in November, namely, Hollinger Consolidated Gold Mines and Canadian Investment Fund.

Summary of November Payments

	1936	1935
	$	$
Dividends	4,680,088	3,601,369
Bond interest	39,592,698	44,537,876
Total	44,247,375	48,139,245

Dividend Payments

Company	Rate $	Date	Amount $
Anglo-Can. Tel., pf.	.87½q	2	57,750
Beatty Bros., 1st pf.	1.50q	1	15,000
Blue Ribbon, pf.	.50q	1	14,925
B. C. Tele., 2nd pf.	1.50q	2	67,500
Buffalo Ankerite	.05q	15	35,063
Calgary Power, pf.	1.50q	2	90,000
Can. Iron Fd., pf.	1.50s	15	58,167
Can. Bronze	.25q	2	20,000
Do., pref.	1.25q	3	9,000
Can. Converters	.50q	16	8,667
Can. Inv. Fd., sp. & ord.	.03½	1	31,778
Do., extra	.00½	1	4,339
Canadian Oil, c.	.12½q	16	17,970
Coast Breweries	.27	1	48,685
Cosmos Imperial	.20q	14	20,000
Crown Cork	.30q	16	20,000
Crow's Nest Coal	2	2	124,252
Dom. Bridge	.30q	14	154,185
Eastern Steel, c.	1	2	38,000
Growers' Wine, B pf.	.35s	1	1,750
Guelph Carpet	1a	1	35,000
Do., pref.	1.62½q	1	11,930
Gurd, Chas., pfd.	1.75q	15	4,550
Hollinger Gold	.05	3	246,000
Do., extra	.05	3	246,000
Humberstone Shoe	.50q	1	10,000
Imperial Bank	2.50q	2	175,000
Inter. Nickel, pfd.	1.75q	2	1,358,486
Inter. Utilities, pf.	1.75q	1	19,230
Do., $3 50 pfd.	.87½q	1	95,232
Macassa Mines	.05	2	133,903
Mtge. Corp. of N. S.	1.75q	1	11,900
Ontario Steel, pf.	1.75q	16	6,304
Paterson, Wm., pfd.	1.75q	1	1,086
Penmans, pfd.	1.50q	2	16,125
Quebec Power	.25q	16	138,299
Root Petroleum	.25	1	84,011
Russell Motor, pf.	1.75q	2	21,000
Do., arrears	1	2	12,000
St. Law. Flour	.50q	2	6,000
Do., pref.	1.75q	2	10,062
Saguenay Pr., pfd.	1.37½q	1	68,750
Shawinigan W. & P.	.15q	16	326,737
Sherbrooke Trust	1.50q	1	4,500
Simpsons, pfd.	1q	2	112,500
Simpson, Robt., pf.	3s	2	100,500
South. Can. Pr., c.	.20q	16	80,000
Stand. Steel, pf.	.75	16	7,342
Do., on arrears	.75	16	7,342
Steel of Can.	.43¾q	2	201,250
Do., pref.	.43¾q	2	113,685
Toronto Elevators	$1	25	25,411
Toburn Gold	.02q	21	37,000
United Corp., A	1	16	64,270
Westmin'ster Pap., c.	.20	1	9,557
Weston, Geo., pf.	1.25q	2	21,875
Total			4,680,088

q—Quarterly. s—Semi-annually.
a—Annually.

BOND INTEREST DUE IN NOVEMBER

Company	Rate	Date	Due	Amount $
Alex. Apart., 1st mtge.	6½	15	1940	9,230
Bell Tele., C.	5	1	1960	187,500
Bruck Silk Mills	6½	1	1945	14,459
Calgary Brew.	5	1	1942	13,647
Canada Cement, A*	5½	1	1947	441,375
Can. Nor. W. Rly.	4½	1	1943	62,997
Connors Bros.	6½	1	1938	3,187
Can. Nor. Pr.	5	1	1953	409,087
Can. Nat. Rly.	3	1	1944	525,000
Can. Nat. Rly.	2	1	1938	134,000
Can. Canners	4	1	1951	48,400
Dredging Contract.	6½	1	1947	16,250
Eastern L. & Pr.	5	1	1964	15,000
East. Can. Coast, St.	6	15	1949	16,140
East. Dairies, A	6	1	1949	66,910
Econ. Inv. Tr. A	5	1	1957	23,737
Gen. St. Wares A.	6	1	1952	206,355
Gr. Lakes Pr.*	6	1	Serial	38,610
Gr. Trunk Pac. 1st mtge.	4	1	1939	197,480
Do., Alta.	4	1	1939	48,600
Do., Alta.	4	1	1942	23,074
Hinde & Dauch, A	5½	1	1946	32,325
Hydro-El. Bond, A	5	1	1957	72,075
Ham. By-Prod.	5	1	1955	62,500
Kingston Elevator	6	1	1950	40,260
Mercury Mills, A	5½	1	1953	36,718
Montreal Cotton	5	1	1943	10,110
Mont. Is. Pr., A	5½	1	1957	254,375
Nat. L. & P., A	6	1	1949	62,025
Nor. Can. Pr.	6	1	1953	67,500
Nor. Ont. L. & P.	6	1	1953	15,000
Penmans	5½	1	1951	48,854
Porto Rico Pr.*	5	1	1936	37,050
Do., refund	5	1	1962	24,332
Do., debs.	6	1	1950	28,485
Provincial Pap. A	5½	1	1947	105,862
Queen's Hotel	6	1	1947	30,156
Randolph Hotel	6½	1	1947	5,963
Shawinigan, B	4½	1	1968	357,007
United Grain, B	5½	1	1949	16,142
United Secs., A	5½	1	1952	88,357
Do., B	5½	1	1952	39,462
Van. Island Trans.†	7	1	1943	6,723
Windsor Gas	5	1	1966	26,700
Corporation bonds				3,989,014
Municipal bonds				4,276,876
Provincial bonds				6,613,844
Dominion bonds				24,712,964
Total				39,592,698

*Redeemable Nov. 1, 1936.
†Interest rate reduced to 3% per annum, Nov., 1936.

Harding Carpet Earnings Gain

Bank Loan Eliminated — Dividend Policy in Abeyance

Harding Carpets Ltd., Brantford, closed its fiscal year Oct. 31 and although the annual statement will not be prepared for about a month it is understood that earnings will show improvement.

As a result, working capital will show an increase. It is expected that the bank loan which was reduced to $14,000 last year from $129,000 in 1934 will not appear in this year's statement. This will mark the first report showing no bank borrowings.

Dividend Policy

The company paid an initial interim dividend of five cents a share last Aug. 1, but has not yet adopted a definite dividend policy. It is expected some action will be considered when the annual report appears early in December.

President A. E. Cuthbertson commented in a letter to shareholders in July that it is hoped it may be possible to announce a definite dividend policy with the issue of the annual report.

Previous Earnings

Earnings for the six months ended Apr. 30, 1936, were equivalent to 17 cents a share. Since summer months are seasonally dull, earnings for the full year may not reach 30 cents a share. For the year ended Oct. 31, 1935, earnings after all charges were 23 cents a share compared with 26 cents a share in the preceding year. There are 170,000 common shares outstanding.

Working capital is expected to show improvement in the forthcoming statement. It was $302,017 last April 30, compared with $254,775 in 1935, $172,573 in 1934 and $88,820 in 1933.

The Consumers' Gas Company of Toronto

NOTICE of ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on MONDAY, the 9th DAY OF NOVEMBER, 1936, at 12 o'clock noon.

By Order of the Board,
EDWARD J. TUCKER,
Secretary.

Toronto, October 19th, 1936.

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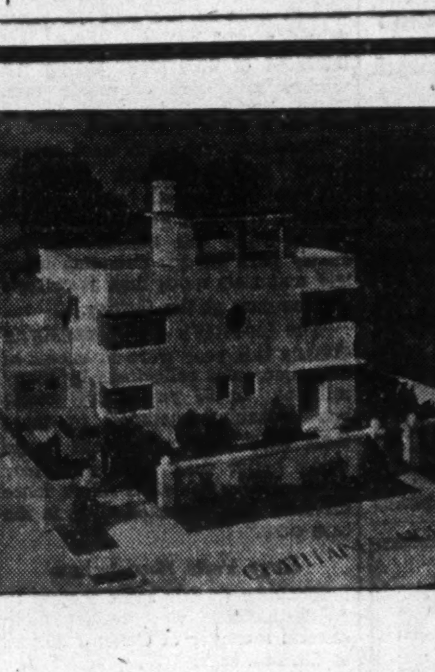

"Modernize" is today the national theme song

THE DESIRE to modernize is now to receive new impetus by the Dominion Government's announcement that financial assistance is to be made available for the remodelling of homes.

Advertisers seeking a market for building materials, household equipment, paints and varnishes, will find a ready audience among Chatelaine readers because this market has been developed to the point of sale through editorial features which have appeared and still are appearing in this magazine.

Chatelaine's Kitchen Idea Contest this fall has attracted the attention of thousands of women who, as a result of this inspiration, are planning to "modernize" their own kitchens.

Read "Money to Loan" IN NOVEMBER ISSUE

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In The Construction World

What Will We Spend On Home Modernization?

HOW much business can construction and equipment companies hope to secure through the new modernization loans policy now going into national operation?

A somewhat similar scheme in the United States has resulted in $454 millions in loans in the last two years. On a basis of population this would mean about $45.4 millions for Canada in two years or not far short of the generally accepted Dominion Government objective of $50 millions.

Ottawa hopes to see such an amount issued in loans before 1938, but bankers and construction officials are a bit dubious. They point out that Canada is nearly two years late in starting the idea and that the interest rate here is considerably lower than in the United States. Lenders, in view of the small returns, may decide that it is not in their best interests to push the idea.

* * *

Four Times Loans Is Fair Estimate

BUT this new loan policy may be expected to yield very substantial, indirect benefits as well. It has been estimated in the United States that for every dollar loaned for home improvement purposes there were three dollars spent out of private funds for the same kind of purchases. One man in a city block may get a loan of $1,500 and thoroughly modernize his home. Neighbors see the results and out of their own funds many of them will go and do likewise.

Even those who avail themselves of the loans will probably spend a good deal of their own money on other things not permitted under the loan agreement, but which accompany any modernization expenditure. Suppose, for instance, that the loan has been used for the construction of an additional room. This room must be furnished, and electric fixtures installed. Such things, being detachable, are not covered in the loan scheme.

These points indicate the soundness of the contention that the expenditure started by the loans may easily quadruple the total of the loans themselves. Canada may see anything up to $200 millions spent on modernization in the next year or two.

* * *

Construction Means Wages

A CONCRETE example of the widespread benefit from building construction is offered by the recently completed Canada Packers plant in Edmonton. Well over a third of the total cost of the building itself, exclusive of fixtures, equipment and their installation went into wages. Twenty-five different branches of the building trades were employed with the workers reaching a peak of 400 during the six months the packing plant was under construction.

But in construction, wages do not end with the paying of the carpenter, the bricklayer or the steelworker. Bricks to a total of 1.1 million had to be purchased as well as 600,000 feet of lumber, 220,000 tile, 40,000 bags of cement, 22,500 feet of pipe, 650 tons of steel, 50 miles of electric wiring and 12 miles of conduits in which to place it. All of this material had to be manufactured before arriving at the packing plant and in that manufacture again at least a third went into labor.

* * *

Skilled Labor Not Plentiful

PERHAPS it is just as well that the increase in construction activity should come gradually. Certainly a sudden boom would find the country short of skilled labor. A typical illustration of what might happen occurred in a western city recently when a big, new industrial plant got started.

Many bricklayers out of regular work for some years were taken on. Though the final results were satisfactory for several weeks after the new men were employed, the work proceeded slowly. Some of it had to be done over. Men long out of their regular jobs cannot jump into full-time production at a day's notice. Especially is this true of the more skilled occupations like bricklaying, carpentering and steel structural work.

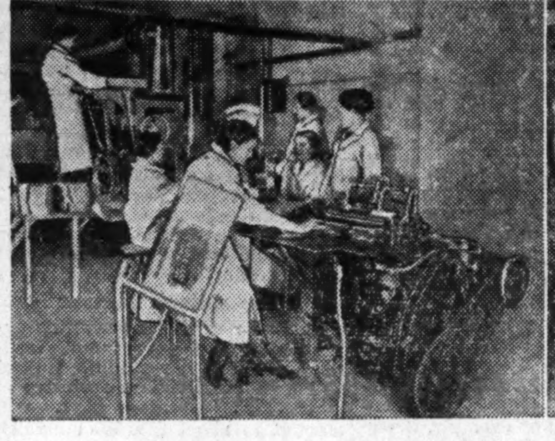
Fortunately general construction can utilize a great deal of unskilled labor, or labor with but a few weeks of experience. It is estimated that with the average general job 85% of the total money expended goes in workmen's pay envelopes. And of this 85% probably more than half is paid to unskilled labor. The skilled labor on the job, however, must have experience and after a lapse of inactivity that experience can only be accumulated gradually.

Silex Co. Sets Up Plant In Shawinigan Territory

From Our Own Correspondent

MONTREAL.—Silex Co., Hartford, Conn., internationally-known manufacturers of glass coffee-makers, announces its decision to locate a Canadian branch at Ste. Therese, 16 miles north of Montreal. This plant will be located in the territory of Shawinigan Water and Power Co., which has been responsible for establishing five new industries in that section during the last three years.

The Silex Co. plans to go ahead immediately with the installation of the necessary machinery to make Silex products for the Canadian market.



NEW EDMONTON PLANT

Canada Packers new Edmonton plant was officially opened this week, though some branches of the concern have been operating since September.

The layout shows a general view of the plant from 70th Street, with the big sign in concrete along the top of the wall. Twenty tons of materials, mostly concrete and reinforcing steel, were used in this sign. The letter "P" presented the biggest problem as all the support comes on the one leg and there is considerable surface exposed to wind which may blow across even the Edmonton park land areas at high velocity. An admiring architect who wished to adopt the idea on a factory he was constructing elsewhere in Canada was discouraged when he mentioned that an apostrophe "S" would have to be used in his sign. A floating apostrophe in concrete is admittedly rather difficult.

Interior views show a section of the modern office incorporated in the main building, smoked meats in the shipping room and the packaging operations of the company's "Maple Leaf" brand lard.

Revisions Aid Housing Act

Stimulates Interest in Lower Cost Homes—Criticism Answered

From Our Own Correspondent

OTTAWA. — Interest in lower priced houses has been stimulated by the change in the Dominion Housing Act regulations last September whereby the government shouldered more risk on the construction loans negotiated.

Previously the government had assumed 20% of all loans issued under the Act but this was revised so that loans up to $3,000 were also guaranteed against loss to the extent of 80%, up to $3,500 to 75% and up to $4,000 up to 70%.

Loan Average Drops

As a result it is understood the average total of loans now being made under the Act has fallen from $5,000 to $4,000. While there is a natural decline in construction at this season of the year, officials maintain results are still satisfactory. No official figures as to the number of loans issued have been made since September when the total stood around 500 and represented about $4 millions.

By giving more encouragement to the small home builder the Department of Finance hopes to answer critics of the Housing Act who claimed that only the man on a fair to good salary and the apartment builder were being helped. Certainly most of the early loans went into homes of well over $5,000 and at least two fairly large Montreal apartments were aided. Houses of $2,500 to $3,500 were almost entirely missing.

Lend or Get Out

Some of the leading companies co-operating with Ottawa under the Act were blamed for the poor showing made during the first year of the legislation. It is maintained that certain lenders actually persuaded the best applicants to take out regular company mortgages and then sent on to Ottawa only the doubtful propositions which were turned down. Such mortgage and insurance companies, it is stated, actually emphasized the red tape accompanying the government backed housing loans, as an incentive to the applicants to take out an ordinary mortgage.

Now the government is preparing to hit back. Where lending companies have not secured any loans under the Act, it is understood that Ottawa is going to strike them off the approved list of companies co-operating with the Dominion Housing Act.

Structural Regulations

Some opposition to the Act, it is understood, has come from municipalities with out-of-date building by-laws. Under the Dominion Housing Act, certain construction specifications are demanded. These include a measure of insulation, 2 x 6-inch rafters in some roofs instead of the usual 2 x 4's and either a tile-lined chimney or eight inches of ordinary brick. Such points, it is argued, would not add more than $100 to the cost of an average house and yet would make a very considerable difference in the comfort and safety of the family dwelling in it.

Apparently, however, the flue by-law in the government specifications has met with much criticism, though authorities point out that the bulk of house fires originate in faulty chimneys. They also state that actual statistics show that in two fair-sized Ontario cities fire calls in the case of one municipality which had no flue by-law, totalled 186, as against 16 for the same length of time in the other city which insisted on the same regulations as the Dominion Housing Act.

Canada Packers Unit Represents Big Advance

Modern Packing Plant at Edmonton Result of Long Planning

Canada Packers' Edmonton plant, which was officially opened this week, is described frankly as a packing plant and nothing else. Like the modern kitchen, simplicity, cleanliness and efficiency have been the guiding principles in its conception and construction. And yet in this very frankness, this simple massing of brick walls, flanked by loading platforms and topped by coolers, a building of arresting attention and harmony has been produced.

First New Plant

It is a far cry indeed from the dark, odorous slaughterhouses of half a century ago to the spotless plant at Edmonton. Bright, and airy, it belongs essentially to this day of modernization. It is the first completely new unit built by Canada Packers which was formed through the merger of four independent packing companies in 1927. The new plant was designed by New Zealand born E. R. Arthur, head of the school of architecture, University of Toronto and was erected by the Bird Construction Co.

While completed according to schedule there was no hurry in the planning. Following an intensive study of the most modern packing plants in United States, Great Britain and Denmark preliminary designs were drawn up. For one whole winter these were studied in detail and finally a model was made to small scale of the whole plant.

Ready for Fall Hogs

Then the contract was left with orders that the plant must be ready for fall operation. Sod was broken March 16 and first plant operations commenced September 14. The reasons for this deadline, of course, were obvious. The plant is designed to cater to the rapidly developing high grade hog raising district in and around Edmonton and in the Peace River area. The big run of hogs comes to market in the fall and early winter and naturally Canada Packers would lose money for every day their new investment was idle from early September on.

The European idea of one floor packing houses was not adopted in this case. As much as possible of the product handled is moved by gravity. Operations begin at the top, or the third floor in the case of the Edmonton plant. Moreover the necessary segregation between edible and non-edible parts of the carcasses handled also works in favor of the multiple-story plant.

Exterior Walls

The new building is of reinforced concrete with external veneer of brick. All the windows are double hung and the sash is of wood, mainly pine. Many of these, especially on the upper stories, placed near the corners give the building the modern appearance so popular with the architectural profession of the present time.

The arrangement of the equipment to give maximum efficiency and to produce the best working conditions is most important in a meat packing plant. An example of such a carefully-planned arrangement is found in the killing floor. The heavy machinery for scalding and cleaning the hogs, for instance, is placed in a separate room so that the room in which the carcasses are dressed is not affected by steam and noise.

Speed Essential

Speed, of course, with the many perishable products handled is essential. That it has been achieved is indicated by a routine which calls for beef, hogs and lambs to be processed and cooled to a temperature of 34 deg. Fahr. within 24 hours.

The new plant contains over 1½ million cubic feet, has 2¼ acres of floor space. Into it went over a million bricks, 600,000 board feet of lumber, 220,000 tile, 14,000 tons of concrete, and 650 tons of deal. It is estimated that one-third of the whole plant consists of what really amounts to refrigerator space, where temperatures are maintained all the way from 130 deg. above zero in the drying room to 30 deg. below zero in the freezers. Naturally insulation has played a big part. For this purpose 13 carloads of cork were brought from Spain before that country got mixed up in its present civil war.

New Ice Machine

When carcasses come out of the coolers where a temperature variation of only two degrees is permitted, a great deal of ice must be used for assuring perfect condition in shipment. Normally large blocks of ice are made and these are crushed for icing of refrigerator cars.

But not only is time lost in the freezing of large blocks but it is also used up in the crushing. To make a double saving Canada Packers installed a new type of ice-making machine. Within 20 minutes of throwing the switch this gives an automatic flow of ice briquettes of about two ounces each at the rate of over one ton per hour.

Taxes Unchanged By Home Repairs

There will be no increase in the assessment in Ontario homes improved under the new government-sponsored modernization loans.

Already Ontario authorities have promised enabling legislation authorizing municipalities to exempt improvements under the scheme. It is expected other provinces will adopt a similar course, as it is understood that the federal authorities will not push the plan except where the local authorities agree to exempt the improvements from increased assessment.

New Building

Chrysler Corp. of Canada Ltd. is planning construction of another addition to its Windsor, Ont., plant.

* * *

Canadian Westinghouse Co. Ltd. has called for tenders for construction of a pattern shop and pattern storage unit at its Hamilton, Ont., west-end plant.

* * *

Fowler's Canadian Co. Ltd., meat packers, is constructing a $6,000 garage addition to its Hamilton, Ont., plant.

* * *

Canada Starch Co. Ltd. is building a $90,000 addition to its food products plant at Cardinal, Ont.

* * *

Canadian Cottons Ltd. is erecting a $150,000 warehouse at its textile products manufacturing plant at Cornwall, Ont.

* * *

Fahralloy, Canada, Ltd., has awarded a contract for construction of a foundry at its Orillia, Ont., plant. The company is a subsidiary of Ventures Ltd., Toronto. Cost of the building will be $10,000 and an additional expenditure of $30,000 represents equipment, including an electric furnace and a car-type annealing furnace.

* * *

Kuntz Brewery Ltd. is expanding its brewery plant at Waterloo, Ont. Plans call for a two-story extension of steel and brick construction.

* * *

Dominion Vinegar Co. will build a new vinegar factory four storeys of frame construction, at Levis, Que.

* * *

Avalon Fabrics Ltd. plans to acquire the Stratford, Ont., building formerly occupied by Brooks Steam Motors and an offer has been made to the city council for its purchase. Completion of the transaction will mean an increase in the company's staff of about 25%. The building has been vacant nine years.

* * *

Ideal Power Production Co., Eastview, Ont., has almost completed construction of new plant which will go into operation the end of this month.

* * *

Eastern Iron & Metal Co., Saint John, N.B., is opening a plant in Halifax for the scrapping of iron. (Halifax Herald).

* * *

M. G. L. Fletcher, Toronto, manufacturer of wooden novelties and small ware, will establish a new mill at Minden, Ont.

* * *

The Globe Printing Co. is considering construction of a new newspaper publishing plant but no decision has been reached as to the site or detailed plans of construction.

* * *

William Neilson Ltd. is erecting an addition to its Toronto plant. plans provide for a reinforced concrete, two-story building.

* * *

T. Eaton Co. Ltd. will construct a $20,000 boiler house and machine shop at its cotton mill on Hughson Street, Hamilton, Ont.

Sugar Plant For Manitoba Seen Assured

Sponsors Hope to Be Ready For 1937 Beet Crop

SOME U. S. FINANCING

From Our Own Correspondent

WINNIPEG.—A beet sugar factory to be in operation by next fall seems assured for Manitoba. Plant and equipment, land and working capital will run into $1.7 millions, according to present closely estimated figures.

J. M. Carruthers and Malcolm G. MacVicar head the Winnipeg group responsible for carrying the plan to its present stage. They hope to raise locally the half million dollars necessary for land and working capital.

Mostly U. S. Capital

Connections have been made and plans are complete for the underwriting by New York bankers of a bond issue for $1,250,000 to care for the erection of the plant and purchase of equipment. The contract for construction has been tentatively awarded to a large United States firm, which, at the completion of the building and its successful operation for 30 days, receives the proceeds of the bond issue from the bankers.

In connection with this bond issue the Manitoba Government two years ago offered a guarantee on $600,000 worth of bonds. It is understood the offer still stands and principals in the present plan have already interviewed government officials. It is planned, however, that the government guarantee, while remaining in the background, should not definitely be sought until the plant is in operation.

More than 15,000 acres of land suitable for beet raising are ready to be put into production, most of it within a 30 or 40-mile radius of Winnipeg. The plant will probably be located close to Winnipeg.

The actual job of building, while under the supervision of the United States company, will be sublet to a Winnipeg contractor and, so far as is possible, local labor and local material will be used.

In Montreal

the Windsor is the center of the business and social life of the city. It is famed for the quality, variety and excellence of its cuisine and is the home of the leading Service Clubs. Men of affairs naturally stop at the Windsor because of its reputation for dignified comfort and unobtrusive, courteous service.

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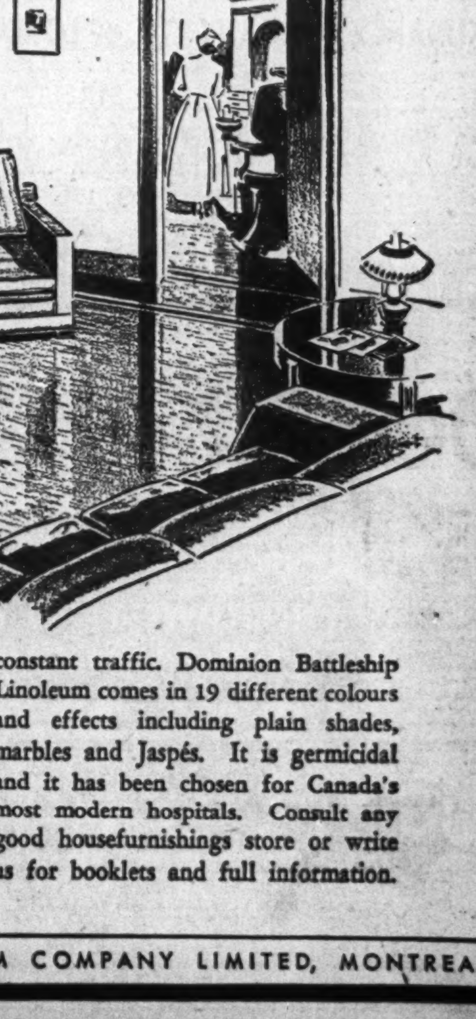

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DOMINION OILCLOTH AND LINOLEUM COMPANY LIMITED, MONTREAL

Legal Points, Custom Affect Insurance "Seal"

When is a life insurance policy under seal?

Though most people own a life insurance policy few ever stop to look at the contract and fewer still notice whether it is under seal.

The question has become a live one in recent weeks due to rumors of possible seizure tactics by the Alberta Government (The Financial Post, Oct. 31 issue). This story indicated the possibility that a policy "under seal" was a specialty debt and might be subject to special protection in the courts if removed out of the province in which the policyholder was situated.

British Custom

A policy under seal is simply an ordinary contract which has been formally stamped and sealed with the official legal seal of the issuing company. As pointed out in a previous article most Canadian companies have for many years gone through the formality of having each contract "sealed." Originally it was deemed necessary under English law to do this. Now under federal and provincial law in Canada the need has disappeared but the custom still remains.

Many companies like the air of formality which a seal gives. One leading company passed up the opportunity recently of "modernizing" the front page of its policy form in favor of the old and dignified seal. Another company, Great-West Life, abandoned the policy of sealing its contracts a few years ago, while still another (Canada Life) which had previously not sealed its contracts began to issue its Canadian policies in that manner. As far as can be ascertained, no U. S. companies doing business in Canada issue their policies under seal.

Legal Niceties

Just why a policyholder is better off with a sealed contract is one of those legal niceties about which lawyers and courts argue freely. As already stated, a contract that is formally sealed is thought by some lawyers to become a specialty debt in the eyes of the law and that as such has certain rights and privileges which it is thought might make it immune from seizure if the policy itself were removed outside the province or area which attempted the seizure.

There is by no means legal unanimity on this point, however—nor is there likely to be until a clear-cut ruling has been obtained on this specific aspect of the law. Until a legal difficulty arose in Saskatchewan in connection with succession duties some years ago, neither companies nor policyholders had apparently bothered about whether a policy was sealed or not, most companies having merely continued whatever practice had been used when they first began business.

Succession Duties

Another point raised by this controversy is in respect of double succession duties. That is as to whether or not a policy if removed from the province became liable for succession duties both in the province in which it was situated and also in the province in which its owner was resident.

Most provinces have reciprocal agreements which prevent double taxation. But some provinces, notably Quebec, have not. Alberta, for example, has only an agreement with Ontario and British Columbia. That is why there is some doubt as to the exact standing of a policy removed from the place of domicile of the policyholder.

At present the general advice being given by leading companies is that they cannot accept responsibility for removing a policy out of the province. They advise policyholders to seek the advice of their lawyer and act accordingly.

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Businessmen Poor Buyers Of Insurance

American Survey Concludes Methods Wasteful, Coverage Inadequate

Businessmen are poor insurance buyers.

Inadequate coverage and hit-or-miss methods of purchasing are prevalent.

Such are the general conclusions reached following an insurance survey of 667 business concerns by the McGraw-Hill Publishing Co.

The report points out that despite vast amounts of money and vital interests involved, the protection of the insurable risks of business and industry is being handled on a haphazard basis. In other words, not enough businessmen are aware of the possibilities of cost reduction and security found in the many kinds of insurance available. The present condition of business insurance is wasteful both through inadequacy of coverage and unnecessary expense.

Insurers Partly at Fault

States "Business Week," a McGraw-Hill publication, in commenting upon the survey: "The insurance companies have been partly to blame. Most of them sell through brokers, and brokers have often been agents of companies more than representatives of buyers. In many cases, neither the companies nor their brokers have adequately educated their buyers as to the use and value of insurance."

The survey included 667 firms in 72 cities, and embraced companies in all lines of manufacturing as well as wholesale and retail business. In terms of annual premiums paid for insurance, they ranged in size from one industrial company which spends $1.8 millions a year down to retailers that buy a mere $100 worth. About 20% were large companies and the rest medium or small; some 33% were wholesalers and retailers.

Coverage Varies With Size

On average, 17 different kinds of risks were insured against by larger companies. Most small retailers are protected against only 5. None of the firms investigated, however, reported complete coverage of all the commonly insured risks applicable to its size and business. The following is a list of coverages with the number of the 667 companies which carried that type of insurance:

Type of Risk:	Number of Companies
Fire	645
Workman's compensation	617
Public liability	547
Automobile—liability and property damage	508
Automobile—fire, theft and tornado	477
Burglary	398
Fidelity (theft by employees)	353
Boiler explosion	323
Sprinkler leakage	294
Plate glass	263
Automobile—collision	260
Wind, tornado and flood	258
Machinery	250
Group life—accident and health	240
Shipments—lost or damaged	212
Surety bonds	174
Use and occupancy	163
Riots, strikes, etc.	154
Life—key men	87

No Dominant Insurer

Special enquiry was made as to the standing of insurance companies among these buyers of protection. But out of a listing of more than 7,000 policies in force, no insurance company was mentioned more than 250 times. Most policyholders apparently know their brokers, but have a very hazy idea as to with what companies they are insured. "Therefore," concludes Business Week, "no dominant insurance company looms up in this great industrial and commercial market. The most remembered—or the least forgotten — insurance company was mentioned by but 6% of the buyers interviewed."

"Selling insurance has been too often a matter between a broker or an agent and the official of the company responsible for handling the insurance policies. In one organization he may be the treasurer, in another the secretary or a vice-president or some department head. In a comparatively few, he is an insurance buyer without other responsibilities. In fact, the function is so much a routine matter for some individual, that the men interviewed for 60% of these companies frankly stated that they did not want other men in their own organization informed as to insurance.

Not Departmentalized

"At present 37% of these reporting companies apportion the cost of the insurance to the departments responsible for the risk. But two thirds do not. It is at this point of weakness in prevailing practice that the insurance companies are driving to put insurance buying on a sounder basis, where costs are allocated, risks classified, and policies analyzed by the department executives concerned. The purpose is to develop latest opportunities to increase coverage, reduce the number of policies and with the help of engineering advice and service from the insurance company, reduce hazards and improve operating practice and economies.

Education of Executives

"All of this leads directly toward the education of more executives in each organization in the economics of insurable risks and insurance buying.

"But apparently the surface of their attention is not yet scratched. Some 66% of these insurance buyers who have just been interviewed, however, are eager for more information as to costs, improve their coverage, and cut down operating expense.

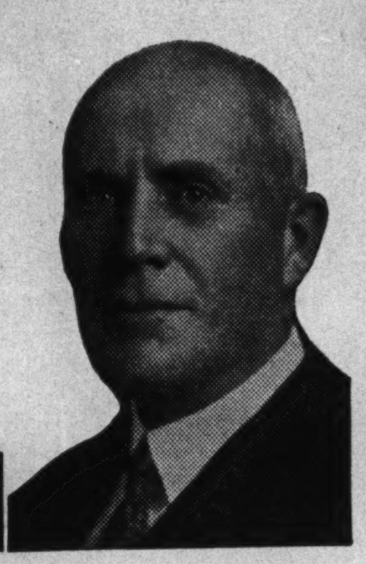
"Boil it all down and it becomes plain that many insurance companies today are not now well enough known to corporate insurance buyers to make efficient selling possible. And businessmen are not yet close enough to the insurance companies to have an intelligent understanding of this need for the variety of policies offered. But the mutuality of interest is so clear cut that they ought not to have much trouble getting together, if the insurance companies will find a way to capture executive attention and properly relate insurance costs to operations."

To Make Rayon Pulp

Port Royal Pulp and Paper Co., Saint John, N.B., will commence production of rayon pulp for the first time, early in 1937. It will be the third plant in the Dominion turning out this product.

Two Imperial Executives Honored With New Titles

G. CECIL MOORE



J. G. PARKER

To look at G. Cecil Moore one would never suspect that in addition to being the new general manager of Imperial Life he is also its oldest employee. The records say he will be 60 next August—he could easily pass for 50 or less.

Perhaps one reason for this youthful appearance is the quiet serenity with which he views life. This attribute seems characteristic of most of the senior officials of Imperial Life. They live in quiet, spacious offices on what used to be the top floor of their head office building and nothing seems to disturb their equilibrium—at least not for very long.

Athletic Prowess

Another reason is doubtless the very considerable attention which Mr. Moore has always given to sport — particularly golf in these later years.

It is said there is hardly a line of sport that Cecil Moore did not tackle as a Toronto-born youngster. At collegiate there was rugby and football, field and track activities. When he left collegiate he played half-back as captain of the Western Club—a rugby team formed by graduates of Harbord and Parkdale Collegiates in Toronto. Other accomplishments include fame as a baseball pitcher of no mean ability and an expert tennis player. It was only a few years ago that he gave up the more strenuous game of tennis for his now beloved golf.

Link With Mr. Bradshaw

The reason for Mr. Moore being with Imperial Life is Thomas Bradshaw. Most life insurance people remember the early story of the president of the North American Life who joined that company originally as an office boy — then returned to it after having meanwhile started Imperial Life on the road to a successful future.

Cecil Moore was an actuarial recruit with North American Life at a salary of $7 a month when the Imperial began business. When Mr. Bradshaw left to take charge of the actuarial department of the Imperial he took Cecil Moore with him. Subsequently Mr. Bradshaw returned to the North American but Mr. Moore stayed with the new company, gradually working himself up to the high office of actuary—then assistant general manager and today general manager.

Contribution to Insurance

Like his running mate, Jack Parker, Mr. Moore has given widely of his talents and energies to the life insurance business at large. One of his earliest loves was the Life Insurance Institute of Toronto which this week starts along a new highway of usefulness as the Life Insurance Institute of Canada. As chairman of its educational committee he has been responsible for many years for the business education of thousands of company employees in all parts of Canada who have come under the influence of this important body.

He has played an equally prominent rôle in the Canadian Life Officers Association, not only as its president but also on its legislative committee. Another very important contribution has been his work as head of the committee on uniform legislation which has won the highest praise in all parts of the continent for its accomplishments in achieving uniformity of legislation throughout eight of the nine provinces in Canada during the past 10 years.

Even though he is now general manager and actuary of Imperial Life Assurance Co., J. G. Parker will still be "Jack" Parker to thousands of life insurance men in all parts of this continent.

The elevation to the double-barrelled title came last week with the promotion to the presidency of the company of J. F. Weston, who succeeds J. A. Morrow.

For the time being, at least, there will be little change in function and duties of the senior executives of the company — no change in the offices which they have graced for many years on the eighth floor of the head office building at Toronto.

Dual Titles

There may be some embarrassment to callers until they get used to the dual use of the words "general manager." For example, if one wishes to see the "general manager" it might be easy for Mr. Parker, as general manager and actuary, to sidestep in favor of Cecil Moore, who is now general manager. The same plan is in operation, however, at the Bank of Montreal so there is excellent precedent in high places for this form of address.

Two Accomplishments

No matter what new honors "Jack" Parker rises to at Imperial Life his two most widely known achievements will doubtless continue to be his generalship of the famous Canadian "Joint Committee," and his unique record of having been the only actuary to hold the presidency of the Actuarial Society of America and also the presidency of American Institute of Actuaries.

As most life insurance men know, the Joint Committee is the clearing house for agency, management and head office viewpoint in the life insurance business and its record in smoothing out real and potential troubles among the field force, managers and company officials across the Dominion has been one of the most constructive forces in Canadian life insurance in recent years.

Mr. Parker was born at Cayuga, Ont., where his father (formerly a farmer and storekeeper) was registrar of Haldimand County. After gold medalling in mathematics at U. of T. he was asked by G. Cecil Moore to help out with some actuarial tables at the Imperial Life.

Apart from a short two-year lapse as a lecturer at the University his business career has been entirely with Imperial. By 1912 he was assistant actuary, in 1914 associate and in 1923 in complete charge of the department. From now on he will be general manager and actuary.

Fire Insurance Taxes Rise Sharply in 1935

Although fire insurance premiums written in the Dominion in 1935 were the lowest in 15 years, and were more than $500,000 under the 1934 total, taxes paid by fire insurance companies during the year increased materially, acording to a survey by The Chronicle.

Taxes on Canadian fire insurers may be divided roughly into two classes: Those related to profits; and those such as premium income tax which have no relationship to earnings whatsoever. It is pointed out that in view of the exceptionally favorable underwriting experience last year, the higher taxation may be largely through the levy on profits.

It should be noted in respect to the total for Canadian companies, that the figures include business in Canada and elsewhere. Consequently, a portion of the taxes was paid to foreign countries. If it is assumed that 65% of taxes paid by these companies was to the Canadian government, the total revenue received by the Dominion from fire insurers was more than $2,230,000.

British and foreign companies generally have a liability to home governments in respect of profits earned in Canada. It would be necessary to add this liability to the above figures in order to estimate accurately the exact taxes paid by these companies in respect to their Canadian business.

The figures of taxes as a percentage of premium income show complete revision in the ranking of the various types of companies between 1934 and 1935. Whereas, in 1934, Canadian companies headed the list, with British companies least affected, 1935 shows that the positions have been reversed.

The following table shows the contributions made by the various classes of fire insurers to federal government coffers:

	Premiums 1935	Taxes 1934	Taxes 1935	Taxes 1934
	$	$	%	%
Canadian companies (all business)	12,104,306	659,260	5.44	5.15
British companies	17,443,353	971,289	5.57	4.88
Foreign companies	15,541,575	864,608	5.56	4.91

Huge Insurance Coverage Placed on English Ship

Insurance of more than £3,250,000 has been placed by British underwriters on the sister ship of the Queen Mary. Coverage is for building risks, as distinct from service risks, and will run for not more than 36 months. Protection applies only while the ship is under construction.

While the amount already underwritten is by far the largest amount ever placed on a single merchant ship under construction, it is anticipated that cover will eventually be increased to £3,500,000. This figure compares with £2,270,000 insurance carried on the Queen Mary.

New Licenses

Century Insurance Co. has received a federal certificate of registry authorizing transaction of inland transportation insurance, in addition to the classes for which it is already registered.

FIDELITY Insurance Company of Canada
TORONTO

Dysart Denies Tax Incomes Coming in N.B.

Possibility of Additional Taxes Makes Business Uneasy

From Our Own Correspondent

SAINT JOHN, N.B. — Premier Dysart's emphatic denial of reports his government is considering income tax legislation has left many wondering just where the administration plans to turn for much-needed extra revenue.

With the opening of the next legislative session still four months off, there is no definite indication of the answer as yet, but some uneasiness prevails among groups which Hon. C. T. Richard, provincial secretary-treasurer, has referred to as "those corporations and others who can well afford to bear a larger share of the burden of taxation."

There is no question but that more revenue is needed if expenditures are to continue their present upward trend. Since 1929 the financial position of New Brunswick has been sliding steadily downhill. Six successive deficits in current revenue account from 1930 to 1935 inclusive amounted to $3,000,000. Another large deficit is looked for on the present year's operations.

Meanwhile, the debenture debt increased at an alarming rate. At the end of 1935 it stood at $61.2 millions compared with $48.9 millions in 1931. Interest and sinking fund requirements are 27% of the total revenue.

Expenditures Increase

This year rather than cutting expenditures the government instituted old age pensions, toward which its contribution, exclusive of what the Dominion pays, will amount to about $330,000 annually. It also went ahead with a huge road improvement programme involving in contracts alone $5,079,000.

New Brunswick's total revenue last year was $6,342,000 and the budget estimated a revenue of $6,552,000 for 1936. The budget estimated a 1936 deficit of $383,000. In 1935 the actual deficit was $703,000 compared with an estimated deficit of $489,000.

While Premier Dysart's recent statement has removed fears of New Brunswick citizens of an income tax being imposed upon them immediately, most feel that it will be only a matter of time before this comes unless the government curbs expenditures.

Quebec Considers Accident Records

The Province of Quebec apparently wishes to keep closer tab on damages paid as a result of motor vehicle accidents. An amendment to the Motor Vehicles Act, recently introduced in the legislature, would require every insurer or any other person who pays personal or property damages arising from motor vehicle accidents to report within eight days to the revenue branch at Quebec.

In order to obtain more detailed information on accidents, the amendment would further require reports from all parties connected with mishaps. Specifically named are the owner or operator of the motor vehicle, police officials, insurers and tramway or railway companies in cases where there has been collision with their cars.

In the first eight months of 1936, automobile accidents in the province involving personal injury and property damage of $50 or more numbered 4,645, substantially more than half being in Montreal. There were 3,332 persons injured during the period and 188 fatalities.

Winnipeg Institute Sets Study Courses For Season

The Insurance Institute of Winnipeg will conduct courses in fire insurance, part 1, casualty insurance, part 3, and inland marine insurance in the 1936-37 season. The council of the Institute states that, in choosing these courses, it has followed customary practice of giving those students who are already engaged on their studies an opportunity to complete their programme without interruption.

Business Women can provide a nest-egg for the future by means of a policy in the

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Bank Chat

Alberta's Loan

REJECTION of Alberta's loan application by the Bank of Canada came as no surprise. The application apparently was dealt with strictly as an ordinary loan and was turned down because it did not meet the requirements of sound banking procedure.

To judge from present prospects, the situation in Alberta in six months time is not likely to be much improved, and quite possibly may be considerably worse. The past record of the Aberhart régime, with debt adjustment one of its cardinal beliefs, is certainly not one to encourage prospective leaders. Moreover, the objectives of the Alberta Government run directly opposed to the beliefs and practical experience of bankers.

In similar circumstances a loan to any industrial concern, on the basis of the purpose for which it is to be used, and the past record and future prospects of the business, would be turned down by any of the chartered banks. The Bank of Canada differs in a number of respects, it is true, from the chartered institutions. Philanthropy, however, is no part of its duties.

In its first major test, Canada's central bank appears to have taken the only attitude in line with sound administration.

* * *

Profitless Lending

CANADA'S banks are quasi-public institutions. As such they are fulfilling only their duty in participating in the government's modernization loan programme.

Canada's banks are also privately-owned institutions. As such their shareholders are entitled to consideration.

This does not mean that a profit should be made on administration of the scheme. It does seem only fair, however, that when the banks are sufficiently public-spirited to undertake such a commission, they should be reasonably protected against loss.

Under the present plan, a loss seems less likely from failure of borrowers to repay advances than from actual operating costs. The government guarantee of 15% appears to be more than ample to offset probable defaults. The discount rate of only 3¼%, however, leaves little margin over administrative expenses. Bankers will be "happy" if they come through without a loss. Some of those with experience in this type of lending contend that a loss is almost inevitable and suggest that if the banks were not overstaffed and faced with a very serious problem in low loan volume, they would not have considered the low rate.

The fact that the banks are willing to lend with no expectation of profit, in the interests of the country as a whole, is worthy of hearty commendation.

* * *

Contractor Salesmen

EXPERIENCE with modernization lending in the United States has shown that in most instances the initiative is taken, not by the banks, but by the contractor. Success of the plan in Canada will also depend on the ability of contractors and manufacturers to sell home-owners of good credit standing on the idea that improvements should be made.

As the medium through which the government administers its plan, the banks will not drum up prospects, apart from advertising effort. Opinion is, however, that there will be no dearth of applications and that the main problem, from the banker's viewpoint, will be weeding out those which are unsatisfactory.

Trust and loan companies have not yet decided whether or not they are legally authorized to participate in the scheme. A decision is expected next week and, if favorable, the various companies will then determine if they wish to "do business."

* * *

More Small Loans

BELIEVE it or not, leading small loan companies state the added emphasis placed on personal loans by the chartered banks has had a beneficial effect on their business. From which one would gather that considerably more people are borrowing money. The personal loan business of the banks is progressing very nicely.

Superficially, it would appear that with banks making personal loans at about half the cost of the finance companies, the business of the latter would have suffered appreciably. That such has not been the case is attributed by loan company men to "service." When those who deal with the loan companies want money, they want it in a hurry. If they can walk into a company's office and 15 minutes later walk out with the money, so much the better.

On the other hand, despite the 24-hour service offered by some of the banks, the necessity of finding endorsers, or other suitable backing, takes time and may involve some embarrassment. Also there is the fact that for the most part the banks are dealing with a different type of person—a class whose credit rating is, on average, somewhat higher. Perhaps the most striking example of this is that on occasion bankers have recommended would-be borrowers to whom they could not lend that they go to certain of the finance companies for the loan.

Sharp Loan Increase Hoists Credit Index

Flow of Funds to Investments Continued in September — Government Financing Reflected in Deposits

Increases of $45.7 millions in loans, $23.7 millions in security holdings and $19.5 millions in public deposits feature the composite statement of Canada's ten chartered banks for September.

Attributed mainly to financing of grain shipments, and to seasonal increase in business activity as business men prepare for fall and winter trade, current loans advanced $30.5 millions. Call loans, reflecting greater interest in security markets, were up $14.5 millions. Improvement in both classes of loans was general among the banks.

Despite the increase in lending, holdings of government securities showed material gains, illustrating once more the relative scarcity of commercial outlets for credit. A year ago bankers were worried about constantly increasing investments. The September figure of $1,377.9 is 40% more than in the same month last year.

The increase in deposits was less than proportionate to that in loans, and as a result, The Financial Post credit index, based on the percentage of call and current loans in Canada to Canadian public deposits, registered the first appreciable advance since last fall. The index for September was 36.9, 1.8% above that of the preceding month.

The more important factors affecting the credit situation in Canada showed the following changes during the month:

Use of Bank Credit in Canada
(In Millions of Dollars)

	Sept. 1936	Aug. 1936	Change	Sept. 1935	Change
Loans	912.0	866.3	+45.7	1,040.9	—128.9
Investments	1,377.9	1,355.2	+23.7	1,103.2	+274.7
Total	2,289.9	2,221.5	+68.4	2,144.1	+145.8
Deposits	2,148.6	2,129.1	+19.5	2,034.3	+114.3

The cash holdings of the banks recorded little net change, the total being $1.5 millions higher. However, there was a switch from Bank of Canada deposits to Bank of Canada notes, both considered as cash. The explanation is apparently due to the seasonal increase in note circulation created by movement of the wheat crop.

The largest single change in the month was in Dominion Government deposits, which advanced almost $70 millions. This increase, which was distributed among the various banks, reflects government financing effected about the middle of the month. It is probable that a considerable portion of this balance will have been liquidated by the present time.

Note circulation by the banks dropped $7 millions—a rather surprising development in view of large grain shipments. In explanation, it is believed that the exceptionally low return on note issue, together with the reduced maximum issue, has led a number of bankers to become less enthusiastic about this phase of the business. It appears that additional note circulation required to finance crop movements is emanating from the Bank of Canada rather than from the chartered institutions.

	September, 1936 $	August, 1936 $	Change $	September, 1935 $	Change $
ASSETS					
Immediately Available Liquid Assets					
Canadian coin	5,320,819	5,277,352	+43,467	5,684,979	—364,160
Bk. of Can. notes	47,038,217	38,614,874	+8,423,343	33,284,543	+13,753,674
Bk. of Can. depos.	173,845,599	180,742,659	—6,897,060	183,829,311	—9,983,712
Bank's cash	226,204,635	224,634,885	+1,569,750	222,798,833	+3,405,802
Other bank notes	5,765,756	8,326,733	—2,560,977	9,214,614	—3,448,858
Gold & sub. coin ab'd.	12,057,562	11,657,132	+400,430	9,571,425	+2,486,137
Foreign banks	127,151,503	140,957,077	—13,805,574	135,929,390	—8,777,886
Foreign curr.	23,208,284	25,590,453	—2,382,169	22,015,440	+1,192,844
Gov. sec. short term	393,797,660	403,301,396	—9,503,736	435,573,254	—41,775,594
Do., long term	713,470,291	680,235,317	+33,234,974	475,294,726	+238,175,565
Call loans abroad	60,314,783	58,531,481	+1,783,302	60,006,034	+308,749
	1,561,970,474	1,553,234,474	+8,736,000	1,370,403,716	+191,566,758
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	115,244,108	115,573,200	—329,092	100,028,479	+15,215,629
Public secs.♦	55,437,544	56,100,077	—662,533	40,518,948	+14,918,596
Other secs.	101,557,144	99,951,451	+1,605,693	51,793,587	+49,763,557
Can. call loans	104,965,842	90,527,543	+14,438,299	75,623,381	+29,342,461
Current loans	687,836,073	657,362,195	+30,473,878	839,277,861	—151,441,788
Loans abroad	156,028,254	155,368,454	+659,800	147,022,941	+9,005,313
Prov. loans	26,371,644	21,861,564	+4,510,080	28,515,312	—2,143,668
Mun. loans	92,705,840	96,540,238	—3,834,396	97,475,556	—4,769,716
	1,340,146,449	1,293,284,722	+46,861,727	1,380,256,065	—40,109,616
Other Assets					
Non-curr. loans	13,356,416	13,364,286	—7,870	14,447,914	—1,091,498
Real estate	8,909,674	8,929,814	—20,140	8,832,169	+77,505
Mortgages	4,554,604	4,570,092	—15,488	5,453,245	—898,641
Premises	75,176,183	75,520,799	—344,616	76,265,162	—1,088,978
Letters of credit	63,828,086	62,887,891	+940,195	53,395,895	+10,432,191
Loans to comp.	9,092,198	9,170,994	—78,796	12,957,358	—3,865,160
Other assets	1,750,565	1,895,012	—144,447	2,320,108	—569,543
	176,667,726	176,338,888	+328,838	173,671,851	+2,995,875
Total	3,078,784,649	3,022,858,085	+55,926,564	2,924,331,632	+154,453,017
Note circ. dep.	7,028,148	7,021,118	+7,030	6,865,992	+162,156
Int. bank bal.	119,022,839	110,804,488	+8,218,351	104,918,285	+14,104,554
Gross	3,204,835,636	3,140,683,691	+64,151,845	3,036,115,909	+168,719,727
LIABILITIES					
To the Public					
Circulation	116,282,712	123,527,133	—7,244,421	131,747,122	—15,464,410
Dom. Govt.	80,185,869	10,321,820	+69,864,049	55,805,649	+24,380,220
Prov. Govt.	33,862,821	35,184,772	—1,321,951	41,239,704	—7,376,883
Deposits by Public					
Demand dep.	647,739,862	626,323,498	+21,416,364	590,014,931	+57,724,931
Savings dep.	1,500,864,504	1,502,821,895	—1,957,391	1,444,330,569	+56,533,935
Total	2,148,604,366	2,129,145,393	+19,458,973	2,034,345,500	+114,258,866
Foreign dep.	405,640,225	427,473,150	—21,832,925	370,406,548	+35,233,677
Due to Banks Abroad, Etc.					
United Kingdom	11,061,490	10,420,422	+641,068	11,440,914	—379,424
Foreign	30,199,333	31,705,748	—1,506,415	27,706,040	+2,493,293
Bills payable	1,268,333	1,296,694	—28,361	1,701,457	—433,124
Letters of credit	63,828,086	62,887,891	+940,195	53,395,895	+10,432,191
Other liabs.	2,709,741	2,698,001	+11,740	2,474,337	+235,404
Total public liab.	2,893,642,976	2,834,661,024	+58,981,952	2,730,263,166	+163,379,810
Due bet. banks	17,256,408	12,556,569	+4,699,839	13,666,939	+3,589,469
Liability to Shareholders					
Dividends	800,725	2,945,499	—2,144,764	811,470	—10,735
Reserve	132,750,000	132,750,000	....	132,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,189,950,119	3,128,413,092	+61,537,027	3,022,991,575	+166,958,544
Credit index	36.9%	35.1%	+1.8%	44.9%	—8.0%

♦Other than Canadian.

Bank of Canada Weekly Statement

Major change in the Bank of Canada balance sheet in the week ended Oct. 28 was an increase in deposits of $7 millions. This was reflected in assets by higher reserves and security holdings.

Balance Sheet

	Oct. 28 $	Oct. 21 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	130,641,944	130,526,423
Rest fund	173,092	173,092
Dep.: Dominion	19,229,214	15,880,906
Banks	180,967,077	177,414,314
Other	393,670	245,954
Total deposits	200,599,961	193,541,176
All other liabs.	3,835,400	3,260,976
Total liabs.	345,350,397	337,601,667
Assets		
Reserve: Gold	179,424,188	179,460,384
Silver bullion	1,907,206	1,907,208
Res. in ster. & U. S.	8,934,894	5,326,881
Total reserve	190,266,288	186,694,473
Subsidiary coin	246,980	256,697
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short	53,769,498	52,273,390
Other Dom. govt.	95,489,897	92,724,163
Total invest.	149,259,395	144,997,553
Premises	274,700	272,258
All other assets	2,303,034	2,380,685
Total assets	345,350,397	337,601,667
Reserve ratio	57.44%	57.61%

Few Branches Closed in West

Bankers may be worried over developments in Alberta, but Mr. Aberhart's programme has not stampeded them into closing branches in that province.

Since the beginning of 1936, only four branches have been shut down, none in recent months. Despite a reported outflow of funds from the province, and establishment of competitive "credit houses," this figure is no higher than the decrease in Saskatchewan branches, and is only half that in Manitoba.

In line with the general policy of cutting out unprofitable branches, the banks report a net total of 49 branches closed in the first nine months of this year. The Canadian Bank of Commerce leads with 25, the Montreal has closed 14, the Royal 6 and the Banque Nationale 3. The only bank to show an increase in the number of branches is the Nova Scotia with a single net addition.

The Maritimes and the Yukon are the only sections of the Dominion which have not experienced a decline in branches. The other provinces shape up as follows:

Province:	Decrease in Branches
Quebec	16
Ontario	14
Manitoba	8
Saskatchewan	4
Alberta	4
British Columbia	3

Four offices were shut down in September

Bank Debits Rise Sharply

September Total is 29% Above Year Ago—Cumulative Figure Higher

With 30 of 32 reporting centres showing advances, bank debits in the Dominion for September rose 29% above the total for the same month a year ago.

Reflecting business recovery as well as pronounced stock market activity, the month's figure was $3,133.6 millions, compared with $2,619.2 millions in the previous month and $2,425.9 millions in September, 1935. All economic areas participated in the improvement, gains ranging from 41.6% in Ontario to 10.7% in the Maritimes.

Normally a gain of about 4.5% may be expected in debits in September due to seasonal factors. This year's advance was considerably greater than usual. The indicated gain after seasonal adjustment was 14.4%. In this comparison, also, all areas recorded betterment, the increases varying from 28.1% in the Prairie provinces to 5.6% in the Maritimes.

Improvement in September has added to the favorable experience in the earlier months of 1936. The cumulative total for the first nine months is $25,893 millions, an increase of $3,208 millions over the same period last year.

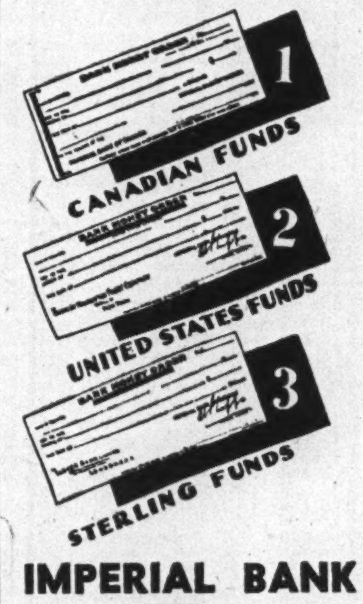
Debits to Individual Accounts

	Sept., 1936 $	Sept., 1935 $
Maritimes:		
Halifax	27,092,080	25,611,089
Moncton	8,829,786	7,294,482
Saint John	15,792,016	13,812,321
Total—Maritimes	51,713,882	46,717,892
Quebec:		
Montreal	802,971,549	652,283,760
Quebec	48,592,431	44,438,643
Sherbrooke	7,435,460	4,918,011
Total—Quebec	858,999,440	701,640,414
Ontario:		
Brantford	8,790,471	7,364,514
Chatham	7,166,075	5,650,004
Fort William	5,653,898	4,187,806
Hamilton	49,761,460	46,823,213
Kingston	6,078,995	4,294,438
Kitchener	10,676,938	8,711,924
London	41,701,303	27,071,721
Ottawa	114,971,298	92,800,338
Peterborough	6,634,404	5,112,301
Sarnia	5,991,998	5,680,587
Sudbury	6,516,788	4,731,967
Toronto	1,092,340,324	751,568,045
Windsor	34,450,512	18,402,134
Total—Ontario	1,390,734,464	982,396,992
Prairies:		
Brandon	2,826,712	2,059,051
Calgary	60,935,921	49,188,424
Edmonton	31,030,617	29,649,879
Lethbridge	4,612,312	5,316,823
Medicine Hat	2,570,790	3,091,719
Moose Jaw	10,842,165	4,952,858
Prince Albert	2,312,460	1,943,261
Regina	65,349,152	45,561,732
Saskatoon	12,652,175	9,882,255
Winnipeg	463,202,947	412,168,666
Total—Prairies	656,335,251	563,764,668
British Columbia:		
New W'minster	6,621,968	5,384,818
Vancouver	141,944,272	104,148,189
Victoria	27,215,263	21,840,111
Totall—B. C.	175,781,503	131,373,118
Total for Canada	3,133,564,540	2,245,895,084

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY. London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

G. S. HOLMESTED
Licensed Trustee in Bankruptcy
Liquidator, Receiver, Etc.
McKINNON BUILDING · TORONTO, ONT.

MONEY ORDERS
in CANADIAN, UNITED STATES and STERLING FUNDS



- Money Orders drawn in Canadian Funds are payable at par at all banks in Canada (excepting the Yukon District.)
- Money Orders drawn on New York are cashed in United States funds or the equivalent at current rates of exchange in all countries.
- Money Orders in Sterling are drawn on London and may be cashed in all countries at current rates of exchange.

Your remittance is safe when you use Imperial Bank of Canada Money Orders.

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CANADIAN BANK NOTE COMPANY
LIMITED
Head Office and Works—OTTAWA
—Branch Sales Offices—
TORONTO MONTREAL

Position of Chartered Banks of Canada as of September 30, 1936, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $
Montreal	18,181,954	17,062,686	6,186,934	....	171,564,301	406,466,583	65,302,489	2,315,298	3,868,183	5,010,179
Nova Scotia	9,956,787	12,609,057	1,052,599	....	41,568,904	142,954,962	41,343,993	2,965,540	318,320	1,067,149
Toronto	4,038,395	2,353,913	112,146	....	30,805,836	72,933,444	617,475	1,612,767	620,127	1,614,325
Provinciale	3,573,747	443,113	23,825	....	6,277,725	35,976,253	183,524	1,476	....	42,240
Commerce	24,293,250	10,825,853	9,111,873	....	138,245,423	297,595,633	63,853,337	1,955,830	1,423,030	7,364,059
Royal	29,074,388	21,350,335	11,263,689	....	166,134,019	296,681,219	125,498,501	411,351	1,016,906	10,539,365
Dominion	6,093,789	1,494,344	770,103	....	31,996,493	70,606,453	5,326,761	3,558,774	332,878	419,570
Nationale	4,913,354	1,199,646	982,238	....	25,654,840	91,072,902	1,230,252	870,651	23,663	339,612
Imperial	5,856,743	2,613,084	3,759,342	....	33,716,231	83,604,412	139,993	1,969,094	581,235	1,188,996
Barclays (Canada)	300,305	233,838	72	....	1,776,090	3,572,643	2,193,810	595,627	2,877,148	1,713,838
Total	116,282,712	80,185,869	33,862,821	....	647,739,862	1,500,864,504	405,640,225	17,256,408	11,061,490	30,199,333

NAME OF BANK	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	159,671	7,099,691	2,043,602	19,258	38,000,000	36,000,000	799,280,836
Nova Scotia	17,176	8,539,972	94,418	361,924	24,000,000	12,000,000	299,750,808
Toronto	693,000	1,486,759	....	1,388	9,000,000	6,000,000	132,489,579
Provinciale	....	56,367	1,916	6,017	1,000,000	4,000,000	51,536,209
Commerce	52,813	20,147,055	....	15,676	20,000,000	30,000,000	625,883,837
Royal	289,272	21,042,660	54,128	34,440	20,000,000	35,000,000	838,390,369
Dominion	....	2,813,720	348,880	175,725	7,000,000	7,000,000	137,337,495
Nationale	56,401	632,719	162,742	9,225	5,000,000	7,000,000	139,148,252
Imperial	....	910,913	....	177,082	8,000,000	7,000,000	149,517,129
Barclays (Canada)	....	1,098,230	4,000	....	750,000	1,500,000	16,615,605
Total	1,268,333	63,828,088	2,709,686	800,735	132,750,000	145,500,000	3,189,950,119

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	826,143	72,347,906	29,532,300
Nova Scotia	15,000,000	12,000,000	12	2,166,273	22,848,000	10,568,108
Toronto	10,000,000	6,000,000	10	994,949	10,469,922	4,417,540
Provinciale	5,000,000	4,000,000	6	386,464	4,445,630	3,614,272
Commerce	50,000,000	30,000,000	8	3,422,784	42,957,604	27,174,670
Royal	50,000,000	35,000,000	8	1,587,380	39,753,658	33,499,881
Dominion	10,000,000	7,000,000	10	1,264,165	8,090,477	6,322,234
Nationale	10,000,000	7,000,000	8	184,164	8,970,023	5,365,384
Imperial	10,000,000	7,000,000	10	389,197	8,590,850	6,214,088
Barclays (Canada)	1,500,000	1,500,000	....	3,500	560,851	322,095
Total	211,500,000	145,500,000	....	11,225,019	219,034,921	127,031,179

▲ Of this amount, $58,692,655 represents deposits in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $
Montreal*	1,085,829	3,166,258	15,163,729	60,954,868	1,458,695	516,359	25,990,427	10,003	2,025,972	22,426,546	157,483,356	210,843,399
Nova Scotia	870,970	1,694,870	3,183,976	21,510,169	456,213	3,367,637	11,973,731	....	222,561	5,573,465	35,208,857	64,521,755
Toronto	282,796	....	2,427,269	7,857,258	332,835	83,353	6,661,908	....	321,840	2,106,703	5,281,201	44,317,099
Provinciale	219,110	....	983,785	4,226,852	204,090	68,324	1,738,631	1,656,852	13,625	117,635	1,357,577	8,614,947
Commerce†	872,682	283,283	6,472,013	36,978,005	920,480	1,039,344	20,756,419	11,155	2,598,253	18,252,484	41,012,608	154,969,487
Royal‡	1,883,839	6,910,981	8,132,279	31,069,880	1,203,473	17,786,743	26,409,268	....	16,931,322	46,323,961	114,181,515	139,252,422
Dominion	281,800	999	2,591,214	3,824,412	338,885	141,950	8,077,221	....	264,738	1,910,648	14,146,987	27,451,940
Nationale§	521,547	1,171	3,835,252	3,891,404	487,195	89,966	4,275,252	678,578	133,486	1,545,617	13,057,478	19,665,214
Imperial	399,978	....	4,664,757	3,159,328	363,755	105,117	7,750,848	616,156	661,881	1,692,627	10,482,602	39,352,075
Barclays (Can.)	2,368	....	83,943	373,428	5,135	9,491	394,848	2,021,542	3,306,257	721,882	1,585,484	4,481,953
Total	5,320,819	12,057,562	47,038,217	173,845,599	5,765,756	23,208,284	114,028,553	4,994,286	26,479,935	100,671,568	393,797,660	713,470,291

NAME OF BANK	Canadian municipal securities $	Public sec. other than Can. $	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	34,783,831	9,192,865	21,260,839	7,714,987	23,245,708	127,472,699	12,640,174	7,453,928	29,961,693	3,087,344	700,293	842,791	14,300,000	1,737,019	94,855	802,659,170
Nova Scotia	13,367,641	812,159	12,961,147	11,280,083	2,709,388	67,771,226	17,687,478	707,844	5,909,334	875,031	....	99,968	6,685,854	579,663	2,811,728	300,882,688
Toronto	7,232,728	1,043,753	3,231,015	4,665,727	....	37,506,588	....	....	4,505,460	302,221	....	34,473	3,542,852	345,084	....	133,518,835
Provinciale	8,804,838	....	3,462,759	4,159,524	....	11,817,842	....	....	1,011,198	122,179	667,622	351,964	2,101,591	183,675	133,215	51,873,411
Commerce†	11,410,406	27,458,818	20,481,366	27,368,921	17,655,976	140,952,169	20,338,319	6,923,658	24,237,703	3,790,177	2,651,730	1,624,258	14,325,641	1,325,000	4,008,466	628,865,885
Royal‡	9,814,674	15,697,233	26,358,980	26,345,553	11,297,219	176,863,111	104,847,463	1,578,623	9,736,867	3,918,426	2,960,268	793,787	15,858,643	1,625,000	3,239,679	841,563,883
Dominion	5,441,396	1,013,716	4,197,284	10,548,288	5,406,492	41,515,155	459,986	....	657,933	378,096	94,432	39,099	5,860,409	342,550	164,065	137,963,439
Nationale§	20,385,172	219,000	9,364,920	5,326,816	....	33,394,146	54,834	3,947,011	10,237,927	355,716	1,554,232	372,881	5,948,574	391,921	196,567	140,064,619
Imperial	3,873,652	....	233,816	6,693,093	....	49,704,490	....	5,760,580	6,447,725	516,406	281,097	395,383	6,102,619	480,910	174,657	150,834,475
Barclays (Can.)	130,270	....	5,018	862,900	....	1,038,947	....	....	....	10,820	....	....	450,000	17,326	19,411	16,619,260
Total	115,244,108	55,437,544	101,557,144	104,965,842	60,314,783	687,836,073	156,028,254	26,371,644	92,705,840	13,356,416	8,909,674	4,554,604	75,176,183	7,028,148	10,842,643	3,204,835,636

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $63,828,086 letters of credit outstanding as shown in liabilities.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 2

[illegible]

Government Bonds

November 4, 1936

Dominion of Canada Bonds				Bid Nov. 4	Asked Nov. 4	Approx. Yield	Bid Oct. 28
††Dominion	5	1 Mar.	1937	101.15	101.65	.05	101.25
‡Dominion	5½	1 Dec.	1937	104.50	105.00	.90	104.50
Dominion	2½	15 Oct.	1939	103.25	104.00	1.12	103.00
Dominion	4	15 Oct.	1939	106.85	107.65	1.35	106.25
Dominion	2	15 Nov.	1939	102.00	102.75	1.08	101.75
Dominion	1½	1 June	1940	100.10	100.60	1.33	99.75
Dominion	4½	1 Sept.	1940	108.75	109.35	1.94	108.25
Dominion	1	15 Mar.	1941	98.00	98.65	1.31	97.75
Dominion	5	15 Nov.	1941	112.75	113.25	2.21	111.75
Dominion	3	15 Oct.	1942	104.75	105.00	2.10	103.25
Dominion	2½	1 June	1943	101.25	102.00	2.17	102.00
Dominion	5	15 Oct.	1943	113.75	114.25	2.73	112.75
Dominion	4½	15 Oct.	1944	112.00	112.50	2.74	111.00
▪Dominion	2½	15 Aug.	'43-45	100.00	100.60	2.40▲	99.75
Dominion	4	15 Oct.	'43-45	108.75	109.25	2.54▲	108.00
Dominion	4½	1 Feb.	1946	112.00	112.50	2.94	111.00
Dominion	3½	15 Oct.	'44-49	104.65	105.15	2.78▲	103.75
Dominion	4	15 Oct.	'47-52	107.75	108.25	3.11▲	107.00
Dominion	3	1 June	'50-55	99.70	100.20	2.98▲	99.25
Dominion	4½	1 Nov.	'46-56	111.00	111.75	3.12▲	110.00
Dominion	4½	1 Nov.	'47-57	111.00	111.75	3.22▲	110.00
Dominion	4½	1 Nov.	'48-58	111.70	112.20	3.26▲	110.75
Dominion	4½	1 Nov.	'49-59	111.85	112.35	3.32▲	111.00
▪Dominion	3¼	15 Jan.	'56-61	102.00	102.60	3.07▲	101.75
Dominion	3¼	1 June	'56-66	100.65	101.15	3.17▲	100.15
♦Dominion	3	Perp. bonds		95.65	96.15	3.12	95.25
Dominion Guaranteed Bonds							
*G. T. P. Ry.	3	1 Jan.	1962	99.50	100.50	2.96	99.00
Can. N. Ry.	3	1 May	1944	103.25	104.25	2.38	103.00
Can. N. Ry.	3	15 Dec.	'45-50	99.50	100.50	2.93▲	98.75
Can. N. Ry.	3	15 Feb.	'48-53	99.25	100.25	2.97	98.75
*Can. N. Ry.	4½	1 Sept.	1951	113.50	114.50	3.27	113.00
*Can. N. Ry.	4½	1 Feb.	1956	114.00	115.00	3.43	113.75
†Can. N. Ry.	4½	1 July	1957	113.50	114.50	3.52	113.00
*Can. N. Ry.	4¾	15 June	1955	116.50	117.50	3.48	115.75
Can. N. Ry.	5	1 Feb.	1954	117.00	118.00	3.59	116.75
*Can. N. Ry.	5	1 July	1969	117.25	118.25	2.91▲	116.75
*Can. N. Ry.	5	1 Oct.	1969	118.75	119.75	3.42▲	118.75
*M. Harb. C.	5	1 Nov.	1969	118.75	119.75	3.42▲	118.50
Eastern—Provincial Government Bonds							
N. Bruns.	4	1 Sept.	1954	103.00	104.00	3.69	103.00
†N. Bruns.	4½	15 Apr.	1961	109.00	111.00	3.82	109.00
†N. Bruns.	5	15 Jan.	1960	113.00	115.00	4.01	113.00
N. Scotia	3	2 Sept.	1945	98.00	100.00	3.00	98.00
N. Scotia	4½	15 May	1943	107.00	109.00	2.98	[illegible]
†N. Scotia	4½	15 Sept.	'47-52	109.00	111.00	3.30▲	109.00
†N. Scotia	5	1 Mar.	1960	115.00	117.00	3.89	115.00
*Ontario	4	1 June	1962	106.50	108.00	3.52	107.00
*Ontario	4½	1 Sept.	1944	112.00	113.00	2.68	112.25
Ontario	4½	1 June	1950	111.00	112.00	3.41	110.25
*Ontario	4½	15 Jan.	1962	112.50	114.50	3.62	112.00
Ontario	5	15 Oct.	1948	114.25	115.25	3.44	113.50
*Ontario	5	2 Dec.	1960	120.00	121.50	3.66	119.50
Ontario	5½	1 July	1946	114.75	115.75	3.61	114.50
O. H. C.	3½-4-5	1 Oct.	'36-52	99.75	100.75	1.67▲	100.00
Ont. Hyd. C.	4¾	1 Jan.	1970	117.50	119.00	3.74	117.50
P. E. I.	3	1 Oct.	1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar.	1952	107.00	109.00	3.26	107.00
Quebec	4¼	1 Aug.	1958	110.25	112.25	3.45	110.25
Quebec	4½	2 Jan.	1963	112.25	114.75	3.65	112.25
Western—							
Alberta	4	15 Dec.	'49-54	61.00	64.00	§	59.00
†Alberta	4	1 Dec.	1957	62.00	65.00	§	61.00
Alberta	4½	1 Oct.	1951	72.00	75.00	§	72.00
†Alberta	4½	1 Oct.	1956	64.00	66.00	§	63.00
†Alberta	5	1 Jan.	1948	65.00	67.00	§	64.00
Alberta	5	1 Sept.	1955	64.00	66.00	§	62.00
*Alberta	5	1 Oct.	1959	65.00	67.00	§	64.00
†Alberta	5½	1 Jan.	1947	66.00	68.00	§	65.00
Alberta	6	1 Mar.	1947	66.00	69.00	§	66.00
†Brit. Col.	4	1 Dec.	1957	87.00	89.00	4.82	86.00
*Brit. Col.	4½	15 Jan.	1951	91.00	93.00	5.17	89.00
†Brit. Col.	4½	1 Oct.	1953	90.00	92.00	5.22	89.00
†Brit. Col.	5	15 Jan.	1948	94.50	96.50	5.41	93.00
Brit. Col.	5	1 Sept.	1953	93.00	95.00	5.45	92.00
Brit. Col.	5½	1 Feb.	1945	95.50	97.00	5.96	94.00
Brit. Col.	6	15 Feb.	1947	97.00	99.00	6.12	96.00
Manitoba	4	2 Jan.	1950	86.00	89.00	5.14	85.00
†Manitoba	4	1 Dec.	1957	86.00	89.00	4.82	86.00
†Manitoba	4½	15 Dec.	1956	91.00	93.00	5.05	92.00
†Manitoba	5	15 June	1954	94.00	97.00	5.26	94.00
*Manitoba	5	2 Dec.	1959	96.00	99.00	5.07	98.00
Manitoba	5½	1 Oct.	1955	93.00	95.00	5.94	93.00
Manitoba	6	1 Apr.	1947	95.00	97.00	6.40	94.50
Sask.	4	15 Aug.	1953	74.00	77.00	6.21	74.00
Sask.	4	1 Nov.	'55-60	73.00	75.00	6.27	73.00
*Sask.	4½	2 July	1945	83.00	85.00	6.75	83.00
†Sask.	4½	1 Oct.	1951	82.00	84.00	6.14	81.50
†Sask.	4½	15 Mar.	1960	80.00	82.00	5.92	79.00
Sask.	5	1 Aug.	1958	83.00	85.00	6.26	82.00
†Sask.	5½	15 Nov.	1946	88.00	91.00	6.75	86.00
Sask.	5½	1 Oct.	1952	87.00	89.00	6.67	85.00
Sask.	6	15 Mar.	1952	90.00	93.00	6.73	88.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat.

Mining Stock Quotations

WEEK ENDED NOV. 2, 1936

Par. Val.	Range 1936 High	1936 Low	Company	Sales	Close Oct. 26 (or last)	High for week	Low for week	Close Nov. 2
1	.13¼	.04	Afton	27,450	.07	.07	.06½	.06½
No	1.25	.88	Aldermac	306,825	.98	1.25	.94	1.23
1	.10	.01½	Alexandria	34,400	.03½	.03½	.03	.03½
No	.12½	.03½	Algoma	76,550	.07	.08½	.07	.08
[illegible]								

Par. Val.	Range 1936 High	1936 Low	Company	Sales	Close Oct. 26 (or last)	High for week	Low for week	Close Nov. 2
1	.38½	.15	St. Anthony	22,400	.17½	.18	.16	.16½
No	6.00	3.00	Sudbury Basin	14,170	5.50	6.00	5.60	6.00
1	.34	.06	Sudbury Contact	149,600	.27	.32	.28	.31
1	.07½	.02½	Sudbury Mines	27,700	.02½	.03	.02½	.03
[illegible]								

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

Corporation Bonds

Supplied by the Investment Dealers Assoc. of Canada

November 3, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Nov. 3	Asked Nov. 3	Bid Oct. 27
*Ass. Tel. & Tel.	5½	'55	86	89	86
‡Avalon 'Phone.	5½	'48	102½	..	101½
Beauharnois P.	5	'73	50	53	50½
*Bell Telephone	5	'55	114½	117½	114
*Bell Telephone	5	'57	121	124	121
†B. C. Power	5	'60	103½	106½	104
†B. C. Power	5½	'60	104	107	105
B. C. Telephone	5	'60	105½	108½	105½
*Calgary Power	5	'60	95	98	96
†Can. Nor. Pwr.	5	'53	103	106	103½
*Dom. Gas & E.	6½	'45	92	95	91
*Gatineau Pwr.	5	'56	100½	103½	100
*Gat. Power, A	6	'41	99	102	98½
*Gat. Power, B	6	'41	98	101	97½
*Inter. Hydro-E.	6	'44	68	71	65
*Inter Power	6½	'57	99	102	99
†Maclaren-Que. Power	5½	'61	87½	90½	87½
†Maclaren-Que. Power	5½	'64	87	90	87
†Mtl. Island Pr.	5½	'57	104½	107½	105
†Mtl. L. H. & Pr.	3½	'56	100½	103½	102
†Mtl. Tramways	5	'41	102½	105½	102
†Mtl. Tramways	5	'35	96½	99½	85½
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat. L. & Pwr.	6	'49	..	..	96
†N. S. L. & Pr.	5	'38	104	107	105
N. S. L. & Pr.	5	'65	102½	..	102½
†Ottawa L.H.&.P.	5	'57	105	108	105
†Ottawa Tract.	5½	'55	99½	102½	100
†Ottawa V. Pwr.	5½	'70	78	81	73
†Power Corp.	4½	'59	99	102	98½
*Quebec Power.	5	'68	104	107	103½
Saguenay Pwr.	4½	'66	104½	107½	104
†Shaw. W. & Pr.	4	'61	99	102	99
†Shaw. W. & Pr.	4½	'70	103	105½	102½
†South. Can. Pr.	5	'55	104	107	103½
†United Secs.	5½	'52	82	85	82½
*Winnipeg Elec.	4½	'60	104	107	104
*Winnipeg E., A	4	'65	74	77	74
*Winnipeg E., B	4	'65	63½	66½	63½
Industrial and Realty Issues:					
†Abitibi Pr. & P.	5	'53	68	71	67½
Acadia Sugar	4½	'55	101	104	101
†Alta. Pac. Gr.	6	'46	94½	97½	94
Asbestos Corp.	5	'42	109	..	108½
B. A. Oil	4	'45	103	106	103
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'61	103	105½	102½
†Can. Steamship	6	'41	56½	59½	57
Candn. Canners	4	'51	99	102	99
Can. Bakeries	6½	'45	94	..	94
*Candn. Inter. P.	6	'49	96½	99½	96
C. P. R.	3½	'51	97	99½	96½
C. P. R.	4	'49	103	105½	102½
C. P. R.	4½	'44	102½	104½	102½
C. P. R.	4	Per	95½	96½	96½
†Candn. Vickers	6	'47	97	100	97
†Consol. Paper	5½	'41	67½	70½	67½
*Dominion Coal	6½	'55	99½	102½	..
Dom. Sq. Corp.	6	'48	60	64	60
‡Dom. Stl. & C.	6½	'55	72	73	71
†Dominion Tar	4½	'51	98½	101½	98
Dom. Textile	4½	'55	106	109	105½
†Donnacona P.	3-4-4½	'56	79½	82½	81
†Eastern Dairies	6	'49	77	80	76
†Famous Players	4½	'51	98½	101½	98½
†Federal Grain.	6	'49	98½	101½	98
†Fraser Comp.	6	'50	101½	104½	..
†Gen. Steel W.	6	'52	103	106	103
*Gt. Lakes Pwr.	5	'55	80	83	79½
†Gypsum L. & A.	5½	'48	101½	104½	102
†Gr. Br. & Can. Invest.	4½	'59	85	88	85
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'50	101½	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	94	97	94
†Inter. P. & P. Nfld.	5	'68	102	105	102
Inter. City Bak.	5½	'48	103	106	..
Inter-City West. Bakeries	6½	'50	54	58	54
†Kingston Elev.	6	'50	94½	97½	94½
†Lake St. John P. & P.	6½	'47	118	121	118
†Lake St. John P. & P.	6½	'42	94½	97½	96
†Lond. Can. Inv.	4½	'48	93½	96½	93
†Maple L. Mill.	5½	'49	83½	86½	81
†Massey-Harris.	5	'47	90	93	90
†McColl-Front.	6	'49	103½	106½	103½
†Mercury Mills.	5½	'53	71	75	71
†Mersey Paper	6	'49	98	101	98
*Minn. & Ont. P.	6	'45	49½	52½	51
Mtl. Dry Docks	6	'48	87	90	85½
Nat. Grocers	4	'36-'47	101½	..	101½
†N. A. Elevators	6	'50	98	101	97½
Nor. Ont. Bldg.	6½	'39	95½	..	95½
*Prov. Paper	5½	'47	102½	105½	103
Queen's Hotel.	6	'47	97½	100½	97½
*Reliance Grain	6	'48	103	106	103
†Restigouche Co.	6	'48	110	113	110½
Rich. Bay Bldg.	6½	'47	100½	..	100½
†Rolland Paper.	4½	'51	101½	104½	101
Ruddy & Co.	6½	'48	97½	100½	97½
†Smith, Howard	4½	'51	101	103½	..
*Spruce F. P&P	5½	'42	101	104	101
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	87	..	87
Stop & Shop	6	'47	61½	..	62½
Twin City	5½	'52	90	93	90½
United Amuse.	5	'56	98½	101½	98½
United Corp.	5	'53	96	99	96½
Unit. Grain Gr.	5	'48	96	99	96½
Unit. Grain Gr.	5½	'49	98	101	98
Union Gas	4½	'43-'50	99	102	99½
Zimmerknit	6	'51	101½	..	101½

‡Payable in Canada or U.K. † Payable in Can., U. S., or U.K. *Payable in Can. or U. S.

Unlisted Mines

November 3, 1936

	Bid	Asked
Albany River	.73	.75
Algold	.44	.48
Ardeen	.19	.21
Area	.04½	.05½
Arrow Head	.37	.39
Algoma Summit	2.00	2.25
Athona	.28	.31
B.E.A.R.	.30	.33
Blue Star	..	.24
Bousquet Gold	.09½	.10½
Brae Breest	..	.25
Brengold	.17	.18
Bilmac	.17	.20
Bailor	.03½	.04½
Bathurst	.03½	.04½
Cal. Bosquet	.24	.27
Canadian Flin Flon	.09	.10
Canadian Pandora	.17½	.19
Candalaca	.18	.20
Coin Lake	.29	.30
Columario (new)	.02	.02½
Cuniptau	.25	.27
Continental Kirk.	.17	.19
Casey Summit	.20	.25
Cres. Kirkland	.45	.47
De Santis	.60	.65
Dona Pat	.35	.37
Darwin	.41	.45
Don Martic	.22	.25
Dunlop (new)	.13	.14
Dorval Siscoe	.43	.46
Doreva	.47	.50
Dupont Hodgson	..	.20
Empress Cons.	.63	.65
Franklin	.02	.02½
Falkenham	..	.33
Frontier R. Lake	.20	.21
Galateas	.07½	.08½
Garnet	.09	.10
Gateway Pat.	.11	.13
Gillies Lake	.61	.63
Gold Eagle	.75	.80
Goldside	.13	.14
Golden Gate	.40	.42
Gordon Lebel	.24	.27
Gilbec	.04	.04½
Horseshoe	.05	.05½
Hudson Patricia	.15	.17
Hugh Pam.	.26	.30
Hutchison Lake	.23	.24
Jellicoe	.43	.45
Johnson Nipigon	.04½	.05½
Kaw Crow	.13	.16
Kenricia	.60	.63
Keora	[illegible]	[illegible]
[illegible]		

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

November 3, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	4.65	4.80
Do., pfd.	5.05	5.30
Acme Farmers Dairy, pfd.	43.00	....
Andian National	47.75	48.50
Assoc. Tel. & Tel., pfd.	54.50	56.00
B. C. Pulp & Paper, pfd.	14.00	16.00
Burns & Co., A	7.00	8.00
Do., B	5.00	5.50
Canada Starch, pfd.	97.00	....
Can. Tube, 1st pfd.	60.25	....
Do., 2nd pfd.	12.50	....
Can. Wire & Cable, pfd.	117.00	....
Can. Airways	7.25	9.00
Can. Industries, A com.	250.00	....
Do., B com.	250.00	253.00
Do., pfd.	165.00	166.50
Can. Ingersoll Rand	125.00	130.00
Chase, A. W., pfd. bonus	25.50	....
Conduits Nat., new com.	2.85	3.25
Dom. Found. & Steel, com.	68.00	....
Do., pfd.	95.50	97.00
Dominion Rubber, pfd.	100.00	....
Dunlop Tire, pfd.	85.50	87.50
Federal Grain, com.	1.75	2.25
Do., pfd.	40.00	42.00
Goderich Elevator	8.75	9.25
Great Lakes Paper, pfd.	17.25	17.75
Greening Wire, pfd.	108.00	....
Guelph Carpet, pfd.	104.50	106.00
Do., com.	19.50	20.50
Hayes Steel Prod., com.	1.75	....
Highland Dairy, com.	3.50	4.00
Do., pfd.	84.50	88.00
Inter City Bak., com.	35.00	38.00
New Meth. Laund., pf. bonus	78.00	....
Provincial Paper, pfd.	106.50	107.25
Reliance Grain, pfd.	92.50	95.00
Rob. Cons. Cone	9.00	10.00
Ruddy, E. L., pfd.	41.00	44.00
Silverwood's Dairies, pfd.	54.50	....
Standard Fuel, com.	9.00	10.50
Do., pfd.	106.00	....
Supertest Petroleum, B pfd.	27.00	28.00
Toronto Carpet, pfd.	42.00	....
United Steel, A pfd.	10.00	12.00
Western Grain, pfd. bonus	....	11.00
Willards Chocolates, pfd.	20.00	24.00
Trust and Loan Stocks:		
Chartered Trust	84.00	86.50
Commercial Finance, com.	2.50	3.00
Guelph Ont. Inv., par $50	48.50	51.00
London & Western Trust	54.00	57.00
Premier Trust	....	....
Prudential Trust	3.25	....
Sterling Trust	30.00	33.00
Traders Fin. Inc. Rts.	10.25	....
Do., B pfd. bonus	85.00	....
Trusts & Guarantee	28.00	31.50
Waterloo Trusts	98.50	....
Insurance Stocks:		
British America	50.50	....
Canada Life	522.00	530.00
Canadian Fire	76.50	....
Canadian Ins. Shares	10.50	12.50
Confed. Life, 20% pd.	113.00	115.00
Cont. Life, 20% pd.	38.50	44.00
Crown Life	166.00	....
Dominion Fire	126.00	....
Dominion Life, 50% pd.	272.00	300.00
Dom. of Can. Gen.	121.00	130.00
Empire Life, 25% pd.	7.50	8.75
Excelsior Life, 30% pd.	69.00	72.00
Federal Fire, 25% pd.	41.50	....
Fidelity Ins. of Can.	46.50	....
Great West Life	382.00	390.00
Guar. of N. A., fully pd.	325.00	340.00
Halifax Fire	23.00	23.50
Imperial Life	350.00	....
Manufacturers Life	....	250.00
Monarch Life, 10% pd.	21.25	22.50
National Life, 25% pd.	....	48.00
Sovereign Life, 25% pd.	15.00	18.00
Sun Life	595.00	605.00
Toronto General	5.00	6.25
Western Assurance, com.	45.00	46.50
Do., pfd.	41.50	44.00
Theatre Stocks:		
Allens Beach, pfd.	65.50	70.00
Do., Kingston, pfd.	62.50	....
Do., Parkdale, pfd.	70.50	....
Do., Toronto, pfd. bonus c.	29.50	35.00
Eastern Theatres, pfd.	71.00	80.00
Loew's, Buffalo, pfd.	3.25	4.00
Do., London, pfd.	2.65	3.00
Do., Toronto, pfd.	115.00	....
Mansfield Theatre, pfd.	30.00	32.00
Paramount, Kitchener, pfd.	50.50	....
Do., Oshawa, pfd.	88.50	94.00
United Amusement, A	21.00	....
Do., B	20.50	....
Investment Trust Shares:		
Can. Gen. Invest.	....	10.50
Can. Int. Inv. Trust Units	77.50	....
Can. Investors Corp.	8.65	9.00
Cons. Div. Std. Sec. Units	18.75	19.50
Corporate Investors	....	7.75
Debenture & Sec., pfd.	71.00	....
Dom. Scott. Invest. Units	40.75	43.00
Foreign Power Sec., pfd.	7.50	9.00
Invest. Found. Units	60.50	62.00
Sec. Holding Corp. Units	24.00	25.00
United Corpns., A	28.25	29.25
Do., B	19.00	20.00
Power Issues:		
Calgary Power, pfd.	73.50	76.00
Can. West. Nat. Gas, pfd.	84.00	86.00
Do., com.	24.50	28.00
Inter. Util., 1.75 pfd.	10.25	11.00
Do., $7.00 pfd.	89.50	92.00
Montreal Island Pwr., pfd.	15.00	....
Nor. Ont. Power, pfd.	103.50	105.00
Nova Scotia L. & P., pfd.	105.00	107.00
Do., com.	91.00	....

Winnipeg Stocks

(Transactions from Oct. 26 to Oct. 31)

	Sales	High for period	Low for period	Close Oct. 31
B. & M. Synd.	120	4.50	4.50	4.50
Black Eagle	500	.12	.12	.12
Clover Gold	1,000	.06	.06	.06
Flin Flon	18,850	.27	.23	.27
Flintoba	10,000	.01	.01	.01
Frontier	400	.13	.13	.13
Cres. Cream. pf.	10	35.00	35.00	35.00
Gold Lake	1,300	.14	.13	.13
Gurney Gold	64,150	.48	.45	.48
Gt. Falls M.&S.	10,000	.09	.09	.09
Herb Lake	6,800	.12	.12	.12
Horseshoe	500	.06	.06	.06
Jellicoe	200	.32	.32	.32
Mandalay	13,000	.11	.09	.10
Ore Grande	13,900	.20	.18	.18½
Oxford M.	100	.65	.65	.65
Optic Lake	150	.80	.80	.80
Oklend	1,000	.44	.44	.44
Packsack	11,150	.26	.24	.25
Sachigo River.	13	18.00	18.00	18.00
Wallace Lake.	10,000	.02	.02	.02
United Grain.	17	11.50	10.00	11.50
Vanson Man.	2,000	.02	.02	.02
Wingold	7,500	.05½	.04¾	.05
Wylie Dom.	3,850	.45	.41	.44½
Wings Ltd.	13,559	2.05	1.85	1.96
Wpg. R. Tin.	13,750	.02	.01¾	.02

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	..	1⅛
Do., pfd.	93½	..
Home Investment	..	20
Northern Mtge., part pd.	..	3⅛
North. Can. Mtge., pf.	4	..
Traders Bldg.	80	..

* Stocks more active on other exchanges not included.

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	113.00	115.00	4.04
Hamilton	5	1950	109.50	111.50	3.90
Montreal	5	1945	103.00	105.00	4.28
Ottawa	4½	1945	109.00	111.00	3.05
†Quebec	5	1959	106.00	107.50	4.47
Saint John	5	1950	107.00	108.50	4.21
†Toronto	4½	1955	111.00	113.00	3.54
†Vancouver.	5	1950	83.00	88.00	6.23
Winnipeg	5	1944	95.00	99.00	5.15

†Payable Can. and N.Y.

Listed Bonds

Week Ended Nov. 2, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	51½	50

UNLISTED MINES (Continued)

	Bid	Asked
Red Crest	.75	.77
Rickard Ramore	..	.94
Richmac	.37	.39
Roeanor	.23	.27
Regal Kirk.	.25	.27
Rubec	.14¾	.15½
Salmo Malartic	.18	.20
Sand River	.27	.30
Schreiber	.15	.17
Skookum	.29	.30
Smelter Gold	.06	.07
South Keora	.16	.18
Spooner	..	.25
Springer	.12	.13
Sturgeon R. Gold	.28	.32
Tonawanda	.14	.15
Upper Can.	.23	.24
[illegible]		

Week in Wheat

Fair Southern Prospects Allay Fears of Shortage

Recent Wheat Price Recession Considered Moderate and Temporary — Underlying Position Strong for Next Few Months

From Our Own Correspondent

WINNIPEG. — Recent recession in wheat prices has primarily been due to the passing of nervousness in European buying centres lest crops in the Argentine should prove disappointing. Now that a fair to good yield seems assured in that country and also in Australia, there is no worry about a shortage of supplies during the current crop year although certainly no surplus is in sight.

Buenos Aires now reports that the Argentine government is unlikely to set a fixed price for the coming wheat harvest. Speculative traders are consequently offering Argentine abroad at prices considered consistent with present world conditions.

Although the lowest of the recent prices is nine cents per bushel under the highs reached during the last month, this decline is not considered severe, in view of the better news from the southern hemisphere and the large Canadian exports. But within a few weeks, as the new crop situation gets no better, and Canadian supplies continue to dwindle, increasing market strength is considered probable. After that the next hurdle will be provided by the United States winter crop, of which good or bad news can be expected to start circulating in a couple of months.

Selling Carryover

BY THE end of the current crop year (July 31 next) Canada is expected to be back to normal in the wheat trade. A carryover at that time of about 40 million bushels is expected or the average carryover which prevailed in pre-pool-accumulation days. Such a carryover would be ample assurance for the domestic trade between the end of the crop year and the latest date at which new crop wheat could be ready for milling.

While official sales figures by the Wheat Board have not been available nor are they expected in view of Chairman Murray's previously announced intentions of policy, it is believed much of Canada's carryover has already been sold. The balance, probably not more than 70 million bushels, it is generally considered can easily be sold without market injury between now and next July.

* * *

U. S. Crop Threat

WHILE there may develop some current criticism of such a selling policy at a time of rising prices, on the other hand, the Wheat Board as well as other holders of wheat must face the possibility of a relatively large United States crop. The U. S. fall wheat acreage, and this type normally accounts for two-thirds the American production, is reported to be one of the largest on record. Given favorable weather there is a chance of an 800 to 1,000 million bushel crop in United States next summer. Such a yield would be more than sufficient, by a margin of close to 400 million bushels, for domestic requirements in that country.

By next May there will be definite indication of the size of this coming crop. By that time the present dominance of the coming crops in the Argentine and Australia will be fully discounted. A big United States surplus, after two years of substantial importing, would undoubtedly have a profound effect on world wheat markets. The Canadian Wheat Board might easily encounter lower prices that those prevailing this winter. In view of the recent selling policy of the Canadian Wheat Board, however, it is reasonable to suppose that all old wheat will be cleared out of the way long before the new American winter wheat crop assumes definite proportions.

* * *

Southern Crops

IN THE meantime the situation in the Argentine and Australia continues to dominate the world wheat prices. As harvest draws near it now seems certain that earlier prediction of big crops in those two countries, will not be realized. But supplies are expected to be on a more generous scale than a year ago. Already a considerable amount of forward selling is reported from the Argentine where five big cargoes have been sold to Italy for February shipment.

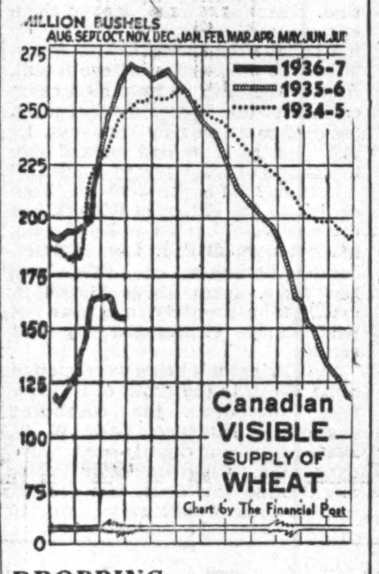
* * *

Italy Looks Ahead

THAT eventually Italy, at present a considerable importer of both Canadian and Argentine wheat, will further bolster her own supply is indicated by recent developments in newly conquered Ethiopia.

The industrial commission charged with the task of building up the former domain of the Negus, has directed the Italian milling industry to proceed as rapidly as possible with the erection of mills in or near Addis Ababa. These mills, it is said, will grind hard wheat exclusively.

Wheat grown in the Ethiopian highlands is of very good quality, but is only locally consumed at present, because of the lack of elevator facilities. It is planned to build grain elevators in the chief wheat-producing areas. A modern bakery is to be operated in connection with the mills.



DROPPING

With export clearances running over six million bushels last week and country deliveries not showing any improvement over the slackening trend of the last month, visible moved sharply downward. This downward acceleration is expected to continue until Canadian stocks of carryover wheat have reached a point where further selling would be considered unwise. Present day visible of less than 154 millions is 116 million bushels behind the accumulated pile of a year ago.

Details in bushels follow:

Canadian Visible

Week of Oct. 10	Last Week	Last Year
153,997,000	157,262,000	270,749,000

Export Clearances*

Week of Oct. 10	Last Week	Last Year
6,009,160	4,413,974	6,626,472

*Plus U. S. imports.

—Blank & Stoller Photo.

MILLING DIRECTOR

C. H. G. Short, general manager of Lake of the Woods Milling Co., who has been elected to the board of directors.

Permanent Wheat Policy Hope of Grain Enquiry

Opposing Interests Prepare Full Data For Royal Commission

EVOLVE SALES POLICY

From Our Own Correspondent

WINNIPEG.—Now that Canada has successfully liquidated the greater part of its carryover wheat and the same has been accomplished without loss, the time is generally considered opportune for the coming Royal Commission of enquiry into wheat marketing. Formulation of a permanent growing and selling policy is seen as one of the possible results.

Had this enquiry commenced soon after the commission was first proposed, almost a year ago, it is quite possible that time would have been wasted in useless bickering. Opposing interests in the form of pool and grain trade exponents were more bitter than is the case today. A newly elected Federal Government might have utilized the occasion for building up political capital. In that period of high feeling much sensational but little practical evidence might have been produced.

Favorable Mood

There is a different feeling throughout the West today. Most parties connected with Canada's grain trade are in a mood favorable to a frank investigation. They are hoping for valuable results from the enquiry and are preparing to give the fullest co-operation.

Outstanding counsel have been retained by all the interests affected. The regular trade will be represented by L. W. Brockington, K.C., newly appointed chairman of the Canadian Radio Commission and for some time counsel for the Northwestern Grain Dealers Association. He is well known throughout the country and conceded one of the cleverest lawyers in the West. Isaac F. Pitblado, K.C., counsel for the Winnipeg Grain Exchange is equally well known and has championed the cause of the Exchange in pool disputes on many previous occasions.

Array of Legal Talent

For the Alberta pool there is Marsh Porter of Calgary. one of the best lawyers in Alberta.

The Saskatchewan pool organization will be represented by M. A. MacPherson, former attorney-general in Saskatchewan and later administration of the Farmers' Creditors Arrangement Act.

Counsel for the Manitoba pool will be E. K. Williams, generally regarded as the coming lawyer in Winnipeg.

Counsel for the commission Hon. J. L. Ralston is said to be exceedingly well informed in grain matters. The opposition in the federal house during the Bennett Government largely depended upon Mr. Ralston for wheat as well as financial criticism. He is expected to develop a vigorous but thoroughly straightforward investigation. He will be assisted by James E. Coyne, Rhodes scholar and son of J. B. Coyne, K.C., of Winnipeg with whom he is a partner.

Secretary for the commission will be T. W. Grindley, of the Dominion Bureau of Statistics and well known as a wheat authority.

Assemble Much Data

Following the inaugural meeting of the commission in Winnipeg, probably on Nov. 24, an extensive array of statistics will be tabled on all phases of wheat growing and marketing. Data has been collected on tariffs, imports and exports. Old channels of trade in wheat, some not now existent will be traced.

Incidentally both sides in the pool-trade controversey have freely used propaganda and it will be one of the jobs of the commission to cut through this to the underlying facts. Western farmers have been bombarded with speeches, pamphlets and newspaper articles so long that issues have become confused.

But notwithstanding all the bitter controversy that has periodically featured the western grain trade almost from the beginning, there is a general disposition to feel that the commission will make an honest effort to get to the bottom of the whole situation and will express a preference for one of the following three methods of marketing:

1.—Pooling.
2.—Futures market.
3.—Government wheat board.

Find Best Method

The last method in turn will probably be broken up into two sections. One will deal with the stabilization methods as practised by John I. McFarland. In the long run this largely consisted in holding back from the market. The other will investigate the reversed method employed by James R. Murray. The latter has followed a selling policy, varying his offering depending on incoming wheat but usually maintaining a certain sales pressure regardless of market.

The commission will be expected to make a report on all three methods of marketing and will also be expected to recommend the permanent adoption of one or a combination of these methods.

The commission will also be expected to give some intelligent study to the problem of formulating a long-term Canadian wheat policy. Much has been said about overproduction, and falling bread and flour consumption. Much has been heard of new wheat-producing countries.

Whether there is any permanent trend up or down in world wheat consumption will have to be determined. Then it can be decided whether or not it will be advisable for Canada to maintain its present acreage capable of an average crop of close to 400 million bushels of which at least 280 millions must be exported. Perhaps this country may have to contract or can expand. New markets at present undeveloped will probably be taken into consideration by the commission and also the probability of new commercial uses for wheat or for land now almost entirely devoted to wheat.

Toronto Elevator Earnings Higher

Report of Toronto Elevators for the year ended July 31, 1936, will appear in a few days showing a slight improvement in earnings over the preceding year.

A dividend of $1 a share has been declared on the common stock, payable Nov. 25 to shareholders of record Nov. 10. Dividends of the same amount were paid in 1934 and in 1935.

Earnings in the 1934-35 year amounted to $12.22 a share on the 7% preferred stock and $3.04 a share on the common, compared with figures of $14.06 and $4.23 respectively in the preceding year.

A few preferred shares have been converted into common stock.

Cairns Still Gloomy On Future of Wheat

A most pessimistic view of the world wheat outlook was taken by Andrew Cairns, one time spokesman for the Canadian Wheat Pools in addressing the recent conference of agricultural economists in Scotland. Mr. Cairns argued that the present firmness in wheat prices could only be considered of a temporary nature. One or 2 normal world crops, he said, would see surplus stocks mounting rapidly again.

Mr. Cairns, it is recalled in Canada, has been a consistent pessimist on wheat during all the period of its rise from under 50 cents a bushel to over $1.

Unusual Support

Today's wheat prices Mr. Cairns maintained were supported by:

(1)—Four consecutive extremely short crops in the United States and Canada.

(2)—The virtual failure of the 1935-36 Argentine crop.

(3)—Two years of substantial imports by the United States.

(4)—The poor 1936 crop in Southern Europe; and

(5)—Absence of exports this year from Russia.

"If it takes such an array of bullish factors to produce dollar wheat," he asked "what price will wheat be when several of these factors have been reversed?"

Thwart Law Supply and Demand

Mr. Cairns then went on to argue that for political reasons, governments in the exporting countries could not afford to let prices drop below a certain level. Hence the law of supply and demand was not allowed to function. Overproduction was not followed by curtailment of acreage. He therefore believed no reduction could be expected in export countries no matter where prices went. In regard to those countries such as Germany, Italy and France which have fostered wheat production by bonuses, this speaker could see no acreage reduction either. So many farmers there were depending upon the new industry of growing wheat that their governments would fear political reaction if the special protection was reduced, he argued.

In slop-over wheat from such protected countries and much heavier than recent exports from Canada, Russia, United States and the Southern Hemisphere, Mr. Cairns saw chaos looming. One or 2 good crops were all that was necessary. But eventually as a result of this chaos he expected to see exporters getting together and working out some system of acreage and crop control.

Mr. Cairns's view, however, did not meet with the approval of all the economists present. It was argued he laid all stress on recent spectacular crop failures in some of the exporting countries neglecting to point out that at the same time other countries, notably in Europe had been harvesting unusually large crops. Mr. Cairns, too, seemed to hold out no hope for new uses for wheat and he stated that it had to be sold at dump prices to be cheap enough for livestock feed.

The first official estimate of the French wheat crop for 1936 is 244,351,000 bushels, compared with 284,954,000 harvested last year.

The 1936 Norwegian crop is estimated at 2,168,000 bushels, against 1,707,000 a year ago.

Grain Elevator Firms Facing Low Earnings

Outlook For 1936-37 is Darkened By Smaller Crop in West

Western grain elevator companies mostly face unsatisfactory prospects for earnings in the current crop year which runs to July 31, 1937.

This year's small crop gives the companies smaller handlings of grain. And the reduction of Canadian grain holdings means less storage revenues for elevators. Finally, the fact that wheat futures are selling below cash prices gives no opportunity to store grain at a profit.

Most definite trade comment on the earnings outlook has come from H. E. Sellers, president of Federal Grain Ltd., who states: "Poor crop yields, coupled with smaller quantities of grain in storage, ... will adversely affect earnings during the current year."

In commenting on the small 1936 wheat crop, C. G. Spencer, president of Western Grain Co., recently informed shareholders: "With these conditions facing your company, everything possible is being done to reduce operating expenses to a minimum."

R. W. Milner, president of N. Bawlf Grain Co., has pointed out the probability that handlings will be smaller in 1936-37 than in the year ended July 31, 1936.

Exports Higher

This year's increased exports of grain have reduced the total amount of wheat available for storage and, as was the case last year, substantial quantities of grain have been moved into eastern elevators. Reliance Grain Co. is believed to be getting some of the benefit of the increased export trade in which it has active subsidiary operations. Its year does not close until Dec. 31, and export volume is expected to enable the company to make a relatively satisfactory showing.

As forecast by The Financial Post earlier this year, western grain elevator companies mostly showed reduced earnings in the year running to July 31, 1936. Western Grain Co. was an exception, and Reliance Grain Co. was able to continue its preferred dividend while increasing working capital. United Grain Growers has just reported a small profit after bond interest and depreciation. It has paid a dividend of 75 cents a share on the common, thus reducing earned surplus, compared with $1 a share paid in 1935.

Comparative earnings figures follow:

Western Elevator Companies' Results

	Times bond int. earned after deprec. 1936	1935	Per share earnings on pref. stock 1936 $	1935 $
Alta. Pacific ...	.98	1.06	—.45	nil
N. Bawlf	1.04	1.06	.01	.05
Federal Grain..	1.04	1.13	—.31	.47
*Reliance Gr. ..	2.12	2.85	4.69	10.74
United Grain ..	1.02	1.71	†.03	†.88
Western Grain.	.79	.64	—1.72	—3.04

*Year ended Dec. 31, 1935, and 17 months to Dec. 31, 1934.
†On common stock.

Japanese Turn to U. S. For Soft Winter Wheat

Because of the lack of a trade agreement between Australia and Japan, which is making it practically impossible to purchase Australian wheat, Japan stepped into the Pacific Northwest market recently and bought 18,500 tons of wheat.

Japanese importers expect to continue to buy United States wheat until next spring, or until Australia and Japan are able to arrive at a trade agreement.

Ottawa Electric Railway Loses Lawsuit to City

From Our Own Correspondent

MONTREAL.—The city of Ottawa has been successful in its law suit to collect $64,121 from the Ottawa Electric Railway Co., owing under an agreement on mileage payments to be paid by the company.

Under these agreements, the railway has to pay a certain rate per mile on streets occupied by its tracks. In 1930, the company took the position that it was under no obligation to pay this rate. The city sued to recover payment and was successful.

The city, following the action, in 1931 checked on the company's statements from 1915 to 1929, and claimed the defendant company had not made proper payments under the agreement. As a result the city initiated an action to recover $41,821 on the principal and $22,821 for interest.

International Milling

Substantial improvement in net profit is reported by International Milling Co., for the year ended Aug. 31, last, though owing to the higher disbursement in common dividends a smaller surplus was carried forward. Earnings on the preferred stock based on the new capitalization amounted to $30.34 as against $28.81 on the same basis a year ago. This company, which operates in Canada under the name of Robin Hood Mills Ltd., has had a remarkably steady earning record through the depression, due largely to the fact that its United States plants were unaffected by short Canadian crops and exports.

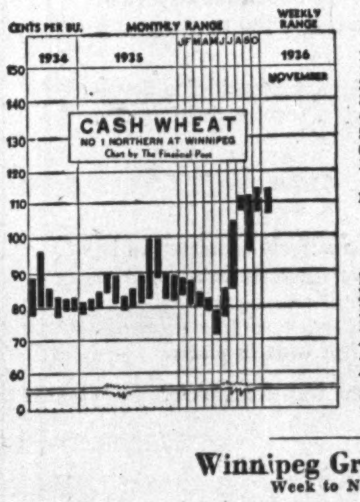
There is practically no change reported in working capital position which amounted to almost $8.8 millions. An amount of $2.2 millions has been set aside to cover the discharge of all liabilities arising out of the invalidation of the Agricultural Adjustment Act and is not included in the balance sheet.

Consolidated Income and Surplus Account Years Ended August 31

	1936 $	1935 $
Net profit	1,356,706	1,296,471
Less: 7% pref. divd. .	......	28,053
6% pref. divd.	......	50,466
5% pref. divd.	136,482	......
Common stock divd.	*883,828	900,000
Surplus for year	277,596	317,963
Add: Prev. surplus ...	8,090,021	8,218,290
Disc. on pref. retired	......	22,185
Adjust. in res.	......	27,167
Proceeds of mat. life insurance	50,704	......
Less: Pref. retir. exps.	17,648	710,583
Bond sale exp.	......	15,000
Common stk. pur. & retired	312,159	......
Life insur. proceeds set aside	50,704	......
Surplus forward	8,037,815	8,090,020

*Payable on common stock of Robin Hood Mills Limited.

Wheat Prices



(Cash Quotations)

	For Week Nov. 3 High	Low	Prev. Week High	Low
1 Man. Hard ...	1.14⅝	1.12⅝	1.14⅝	1.11⅛
1 Northern	1.11⅝	1.06⅝	1.11⅝	1.09⅜
2 Northern	1.10⅝	1.05¼	1.10¼	1.07⅞
3 Northern	1.07⅝	1.02⅝	1.07	1.04⅞
4 Northern	1.05⅝	1.00⅝	1.05⅛	1.03⅛
5 Wheat	1.00⅝	.95⅝	1.01½	.99⅜
6 Wheat	.94⅝	.90⅝	.94⅜	.90⅞
Feed Wheat	.81⅝	.75⅝	.81⅝	.76⅜

Vancouver: Week to Nov. 2:

1 Northern	1.10	1.06	1.09⅞	1.08¼

Competitive Export Prices: Nov., Oct. shipment.

Week to Oct. 31

	High	Low
No. 1 North. (Vanc.) ...	1.27¼	1.24⅛
No. 2 North. (Atlan.) ...	1.28	1.23¾
No. 2 North. (Vanc.) ...	unquoted	
Danubian	1.11⅝	1.09¼
Australian (afloat)	1.26⅛	1.23¾
Australian▲	1.23	1.21½
Argentine Rosafe†	1.09¼	1.07½
Argentine Rosafe*	1.16⅛	1.16⅛
Indian (choice Karachi).	1.23¾	1.21½

†Jan.-Feb. ▲Dec. *Old crop, Nov

Winnipeg Grain Futures

Week to Nov. 3, 1936

Crop year from Aug. 1, 1936 High	Low		Open Oct. 28	High for week	Low for week	Close Nov. 3
		Wheat				
1.14⅞	.95⅝	Oct.	1.12	1.12⅝	1.07⅞	.....
1.14⅞	1.06	Nov.	1.12⅛	1.12½	1.06	1.06⅝
1.12⅝	.93½	Dec.	1.09½	1.10¼	1.03¼	1.04
1.13⅛	.95½	May	1.10⅝	1.11	1.04⅞	1.05⅝
		Oats				
.49¾	.41⅛	Oct.	.43¾	.44⅛	.42½	.....
.46⅞	.42¾	Nov.	.44	.44⅛	.42¾	.43¾
.48¼	.41¼	Dec.	.43½	.43¾	.41⅝	.42⅝
.48¾	.42¼	May	.44⅝	.44¾	.42⅝	.43½
		Barley				
.68	.51½	Oct.	.61⅝	.61⅝	.57¾	.....
.63⅞	.55⅛	Nov.	.61¼	.61½	.55⅛	.57⅞
.63¼	.50¼	Dec.	.59⅝	.59⅝	.55⅛	.55⅞
.61⅞	.50⅞	May	.58⅝	.58⅝	.54⅝	.55¼
		Flax				
1.90½	1.58¼	Oct.	1.63¼	1.63⅛	1.61	......
1.88	1.60½	Dec.	1.64½	1.64½	1.60½	1.60
1.75¾	1.63¾	May	1.68	1.68	1.63¾	1.63¾
		Rye				
.72¼	.62	Oct.	.70⅝	.70¾	.68¼	.....
.71⅞	.66⅞	Nov.	.....	.70⅝	.67¾	.67¾
.72	.61⅝	Dec.	.69⅞	.70⅛	.66½	.67¼
.72½	.62⅝	May	.71⅛	.71⅛	.67⅝	.67⅛

DIVIDEND NOTICES

BANK OF MONTREAL
Established 1817
DIVIDEND NO. 294

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1936.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the SEVENTH day of DECEMBER next. The Chair to be taken at noon

By Order of the Board
W. A. BOG, General Manager — JACKSON DODDS, General Manager
Montreal, 20th October, 1936.

Borden's
COMMON DIVIDEND No. 107

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable December 1, 1936, to stockholders of record at the close of business November 14, 1936. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 29

NOTICE IS HEREBY GIVEN that a dividend of 20 cents per share, being at the rate of 80 cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending November 14th, 1936, payable December 15th, 1936, to shareholders of record at the close of business on November 14th, 1936.

By Order of the Board,
FRED HUNT, Secretary.
October 28th, 1936.

SYLVANITE GOLD MINES, LIMITED
(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

Notice of Dividend No. 20

NOTICE is hereby given that a regular quarterly Dividend of Five per cent. (5%) (representing five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared.

Such Dividend will be payable December 31st, 1936, to Shareholders of record at the close of business November 19th, 1936.

In the case of Share Warrants such Dividend will be payable on or after December 31st, 1936, in respect to the shares specified therein, upon presentation and delivery of coupon No. 20 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon Territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges; or Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian Five per cent. (5%) tax will be deducted from Dividends paid to non-residents.

By order of the Board.
W. S. WALTON, Secretary.
Toronto, October 31st, 1936.

DIVIDEND NOTICES

McKinley Mines Securities Company Limited
(No Personal Liability)
DIVIDEND NO. 5

Notice is hereby given that a dividend of Two and One-half per cent (2½ cents per share) on the issued Capital Stock of the Company has been declared payable December 1st, 1936, to shareholders of record at the close of business November 19th, 1936.

By order of the Board.
J. INGRAM, Secretary-Treasurer.
Toronto, October 27th, 1936.

Anglo-Huronian Limited
DIVIDEND NO. 4

Notice is hereby given that a dividend of Twenty (20c) cents per share, in Canadian funds, on the issued Capital Stock of the Company. has been declared payable December 1st, 1936, to shareholders of record at the close of business November 19th, 1936.

J. INGRAM, Secretary-Treasurer.
Toronto, October 29th, 1936.

DIVIDEND NOTICE

Northern Canada Mining Corporation, Limited

Notice is hereby given that an interim dividend of Two Cents (.02c.) per share on the outstanding capital stock of the Corporation has been declared by the Directors of the Corporation payable December 1st, 1936, to shareholders of record at the close of business on November 20th, 1936. The Canadian five per cent (5%) tax will be deducted from dividends paid to non-residents.

Shareholders are particularly requested to see that certificates held by them are properly registered on the books of the corporation. As mentioned above, the dividend is payable to shareholders of record on November 20th, 1936. Our transfer agents are The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Ontario.

By Order of the Board,
H. F. CASSIDY, Secretary.
Toronto, 30th October, 1936.

DIVIDEND NOTICES

The Canadian Bank of Commerce
Dividend No. 199

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1936, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st December next, to shareholders of record at the close of business on the 31st October, 1936. The Transfer Books will not be closed. By Order of the Board.

S. H. LOGAN, General Manager.
Toronto, 16th October, 1936.

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c.) per share on the preferred shares of the Company has been declared payable on and after November 1st, 1936, to shareholders of record on October 30th, 1936.

DATED at TORONTO this 27th day of October, 1936.
J. C. JAMIESON, Secretary.

Royalite Oil Company Limited

Notice of Dividend Number Seventeen and of a Special Disbursement of Twenty-Five Cents Per Share

Notice is hereby given that a regular Dividend of Fifty Cents per share, and a Special Disbursement of Twenty-Five Cents per share, have been declared payable to the Shareholders of the Company of record, as such, on the books of the Company, at the close of business on Friday, the 13th day of November, 1936, and that the said Dividend and Special Disbursement will be payable on or after Tuesday, the 1st day of December, 1936.

The Register of Transfers will be closed from the close of business on Friday, the 13th day of November, 1936, until the opening of business on Monday, the 23rd day of November, 1936.

By Order of the Board,
T. E. BURNS, Secretary.
Calgary, Alberta, 29th October, 1936.

A.J. Pattison, Jr. & Co. Limited
Established 1907
For twenty-nine years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
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LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
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FRANK S. MEIGHEN, C.M.G.
HUGH MACKAY, K.C., Vice-President — C. H. G. SHORT, General Manager
Directors
N. J. BREEN — JOHN W. HOBBS — HUGH MACKAY, K.C.
WALTER MOLSON — ISAAC PITBLADO, K.C. — R. W. REFORD
RT. HON. LORD SHAUGHNESSY, K.C. — PAUL F. SISE — G. W. ALLAN, K.C.
HON. RODOLPHE LEMIEUX, K.C., P.C. — J. W. PYKE
FRANK S. MEIGHEN, C.M.G.
Secretary D. A. MacINNES — Treasurer E. E. HUTCHISON

British America Elevator Company, Limited
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We Own and Operate 130 Country Elevators in
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Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
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GRAIN COMPANY LIMITED
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NORRIS GRAIN COMPANY LIMITED
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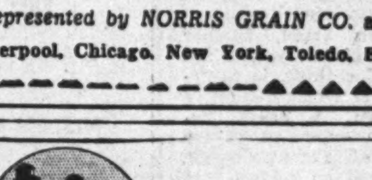
PRIVATE WIRE SERVICE
GRAIN AND STOCKS
Represented by NORRIS GRAIN CO. at
London, Liverpool, Chicago, New York, Toledo, Kansas City



Grain Merchants Shippers & Exporters
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JAMES RICHARDSON & SONS *Limited*

Little Long Lac Presents Solid Front of Activity

Signs of Big Camp At Little Long Lac Seen on all Fronts

Young Area Presents Scene of Extended Activity

DRILLS AT PREMIUM

Largely due to the sensational results obtained last summer by MacLeod-Cockshutt Gold Mines and Hard Rock Mines, in the south end of the camp, the Little Long Lac field in Northern Ontario has this summer been more active than at any time since the big rush four years ago.

The area at present has only one producer, but the odds are in favor of the statement that next year four mills will be contributing to the gold output of the area.

In addition to Bankfield Gold Mines, whose mill plans are described in another article, **MacLeod-Cockshutt** has made good the promise indicated last summer, and has a 500-ton mill under construction.

The first level at MacLeod is at 200 ft. Work on the crosscut at 350 ft. is just getting under way, and the shaft is nearing its depth objective of 500 ft., an objective which will enable a third level to be opened up.

On the 200-ft. level, drifting is proceeding on both the north and the south zone. So far, underground work has supported, and in some places improved, the indications given by the much discussed drilling done last summer. This drilling, it will be recalled, shot the rock up in an overnight move.

The underground picture at MacLeod-Cockshutt is rapidly taking shape, and an estimate of ore reserves should be available before long.

The board of directors of this company was recently augmented by the addition of H. S. Munroe, director of Ventures Ltd., and Fred Searls, Jr., of the Newmont Mining Corp. of New York.

Plan Deep Drilling

At 500 ft., deep drilling will be carried out from the shaft. With this information, and the results from the aggressive work on the three levels, shareholders will have available a fairly complete picture of underground work by the time the mill gets under way, which, it is expected, will be next year.

Sharing the spotlight with MacLeod-Cockshutt is **Hard Rock Gold Mines,** where surface drilling last spring opened up arresting new ore possibilities. As a result of this drilling, a new three-compartment shaft was started in August. Both in this new or No. 2 shaft area, and in continued workings in the old shaft area, underground results are reported officially to be opening up some new, good-looking ore. Interest centres on the "Porphyry Hill" section of Hard Rock, immediately east of the MacLeod-Cockshutt boundary. The crosscut on the 150-ft. level has just entered this zone with encouraging results.

No official word has been issued regarding mill plans, and it is apparent that sufficient information regarding the proportions of the ore body has not yet been obtained to warrant a discussion of mill possibilities. All that can be said is that work is going ahead rapidly, and that some mill announcement will be made next year.

Well Financed

Goldale Mines, in association with other interests, made an agreement in Feb., 1936, to purchase 200,000 shares of Hard Rock stock at 45 cents per share and to take options on 200,000 at 65 cents and 99,995 shares at 75 cents per share. All options are to be exercised by Jan. 1, 1937. The "other interests" associated with Goldale in this venture is reported to be Noranda Mines, which, through its directorate, is closely associated with Noranda.

The October option under this deal has been taken up, leaving 50,000 shares optioned at 65 cents, and 99,995 at 75 cents per share.

Moving westward, **Elmos Gold Mines,** which was formed last March to acquire the assets of Longlac Lagoon Gold Mines, is carrying on a varied drilling programme on two groups of claims west and north of Mosher Long Lac. The company reports some encouragement. Correlation of drilling results obtained by the former owners indicates improvement at depth. The company is well financed, and reported cash in the treasury as at Sept. 11, 1936, of $90,000. Options to C. A. Gentles & Co. will net the treasury $445,000 if fully exercised.

Marquette Long Lac, incorporated by LaFayette Long Lac Mines to acquire the southerly half of its property is also drilling, following a geological survey. The property, lying north of Little Long Lac Gold Mines is in a fair geological location, although nothing tangible has been reported from the property.

Largely on favorable geology **Lake Maron Mines** is sinking a long drill hole of 1,500 ft. on its property adjoining Hard Rock.

Jumping south again, **Mosher Long Lac Gold Mines,** which adjoins MacLeod-Cockshutt, is carrying out a large and comprehensive drilling campaign. A break, believed to be an extension of the main MacLeod-Cockshutt break, has been explored on surface and by shallow drilling. This work revealed values, although the width was inclined to be narrow. Officials, by deep drilling, are hoping for encouragement at depth.

Magnet Starts an Shaft

Further to the west, **Magnet Consolidated Mines, (1936) Ltd.,** which is a consolidation of Wells Longlac and Magnet Gold Mines, is preparing to sink a shaft, the site for which is being cleared. One of the problems facing this company is the undue amount of clay overburden, amounting to about 90 ft. The property has seen over 40,000 ft. of drilling, however, according to Harry Smeaton, engineer in charge. The shaft will be three-compartment, and will have as its first objective 300 ft. Two levels will be opened up before the shaft is deepened.

McLellan Long Lac Gold Mines is also drilling on its property in the Little Long Lac field. The company has also some claims west of Hutchison Lake, north of Geraldton, which will probably be drilled this winter, in view of the recent developments at Hutchison Lake Gold Mines.

On the Little Long Lac property of McLellan, the vein discovered on surface has been opened up some 800 ft., and is open at both ends. Drilling indicated a continuation of this vein to a depth of at least 250 ft.

Oro Plata Has Big Plans

One of the largest operators in the field to date is the newly formed **Oro Plata Mining Corp.,** which holds over 100 claims in the Little Long Lac camp, and large holdings in **Jellicoe Consolidated Gold Mines, White Horse Gold Mines, Magnet Lake Gold Mines, Elmos Gold Mines, Longlac Lagoon** and **Langmuir Long Lac Gold Mines.** Altogether the corporation owns some 18 miles of claims.

Although recently supplementary letters patent were obtained making this a public corporation, it is understood no public offering is contemplated in the immediate future. The corporation's plans include the sinking of a shaft on Jellicoe Consolidated, as well as extensive exploration of the other properties in which the corporation has an interest.

Encouraging results have been obtained by **MacFarlane Long Lac.** In one of the holes, at about 85 ft., values of $18.90 were obtained across a width of 21 in. Surface work is being continued in conjunction with the drilling.

In view of the number of companies which are drilling their properties in this field it is hardly surprising that a real drill famine exists. Among such companies are **Traverse Long Lac, Roche Long Lac, Jubilee Long Lac,** and **Nordarm Longlac.**

The widespread plans for drilling throughout the winter augur well for an active season in 1937 in this field.

Brokers Used Tent 'Way Back in 1934

'Way back before the dawn of Little Long Lac's history as a mining camp—about September, 1934—the first brokerage office was opened at Hardrock.

Hardrock in those remote days was the railhead for the camp. Little Long Lac Gold Mines and Hardrock Gold Mines were the only two companies active at that time, and took in supplies by water from Hardrock station.

The first brokerage office, opened by Geo. W. Matthews & Co., of Fort William and Port Arthur, was a tent. Despite this crude exterior, however, clients had direct wire service to Toronto via Winnipeg. The mine operator served as customers' man, bookkeeper, stenographer and office boy.

That was in September, 1934. In November the direct road from Little Long Lac Gold Mine to Geraldton, on the C.N.R., was opened and Geo. W. Matthews & Co. folded their tent, like the Arab and silently stole away—to Geraldton.

Today, comfortably housed in a hotel building, and with two operators, board and all the trimmings, this firm has a complete service for the resident of Geraldton.

ALL STAGES OF MINE MAKING AT L. L. L.

Like most healthy young camps, the Little Long Lac field offers the visitor all stages of mining development, from initial surface development to the finished gold producer. The top picture shows the king pin of the camp, Little Long Lac Gold Mines, whose mill is turning out some $150,000 in gold every month.

Bottom, left, shows a surface pit on the property of Hutchison Lake Gold Mines, north of Geraldton. Rich showings of free gold on surface have attracted wide attention. Bottom, centre, is a view from the ore dump, of the foundations for the mill at Bankfield, in the west end of the camp. This property is scheduled to be one of the new producers in this field in 1937. Bottom right, shows some of the obstacles to mine making in the north. This shot was taken on what is politely called a "road" from Geraldton to Hutchison Lake, four miles away. This teamster's view on mine making, expressed volubly to The Post cameraman, are not printable. He had unloaded his mired wagon five times in two miles.

Gold From Iron

Key to Riches of Little Long Lac Long Despised as but Old Iron Workings

The Little Long Lac field has proven itself to be an important link in a chain of mining activity stretching from Lake Nipigon on the west to Long Lac on the C.N.R.

The success which has attended development in this field is responsible for the renewed activity for many miles on both sides of it.

Yet this important field lay practically untouched for many years, despite the fact that it borders on the Port Arthur branch of the Canadian National.

For those who think all potential mining fields have been tapped by civilization, and that there are no new fields to conquer, there is a lesson in the romantic story of the Little Long Lac field. The Thunder Bay area had been vaguely recognized as favorable for iron, silver and gold ores for many years. In 1925, interest in old gold stakings at Beardmore was revived. Newmont Corp. of New York was the moving spirit, and was rewarded by the bringing into production of the Northern Empire property. Even then, interest in the area was only tepid, and in that portion of it lying east of Northern Empire at Beardmore, practically non-existent. Attracted by reports occasional prospectors, among them Fred MacLeod, wandered through the district, but staked no claims.

This was the situation in August, 1931, when "Hardrock Bill" Smith, a young American prospector, decided to visit the Little Long Lac field. The credit for reviving interest in the area must go to this man, and his partner, Stan Watson. These two made the strike on what is now known as Hardrock Gold Mines. A mild staking rush followed. Fred MacLeod, Arthur Cockshutt, Alex Gilles and Murdock Mosher are among the men who staked in the area, and whose names are now associated with the thriving prospects under development.

Who Wants Iron?

All this time, what proved the real sensation of the camp lay open and untouched on the shores of Little Long Lac, to the north. This property, known in the days of iron prospecting, was dismissed as an old iron workings. Nobody was looking for iron.

In the spring of 1932, Tom Johnson and Tony Oklend, attracted by the general activity, pushed their canoe through the waters of the lake. Prowling along the west shore, Johnson noticed some quartz showings under the water.

"Let's look it over," said Johnson. Beaching their canoe, they found themselves on the long despised iron prospect. On the shore, dipping into the lake, they found a narrow vein, about eight inches across, showing visible gold.

That was the discovery of what is now Little Long Lac Gold Mines. Johnson sent some samples to Percy Hopkins, who, in turn interested Joseph Errington. Errington sent Alan Barton, then at Port Arthur, into the property. The result of Barton's examination was to send Errington himself into the property. The sum of $2,000 was made as first payment.

The developments since that time are well known. The property became the first producer in the field, and the major operation to date. Tom Johnson and Tony Oklend, who is a Lithuanian, and formerly a trapper, made a fortune, as did those who bought Little Long Lac stock when it was first offered at 25 cents per share. Since that time it has hit $7.75 per share.

Mining Parasites

This discovery was the match which set off the explosion. A major rush was immediately started. The town of Hardrock was the first take-off for the field. In rapid order, however, a station was established at Geraldton, a townsite laid out, and a road cut through the bush to the centre of activity.

There was, of course, the inevitable ballyhoo. Companies were floated and stock sold on the basis of little less then the words "Long Lac" in the company's name. These were the parasites of the mining game, and caused some people to lose a lot of money. But they have not hampered the camp in its steady growth.

Today, Geraldton is a modern town in every sense of the word. It will soon have abundant water supply for its 2,000 population.

Developments this summer, as outlined in another article on these pages, tend to encourage the belief that Geraldton has a long life ahead of it.

LITTLE LONG LAC
GOLD MINES LIMITED

(No Personal Liability)

The History of a Mine

Bush, nothing more, in 1932. Then a gold vein was discovered. By November, 1934, a Mine had been developed on its first block of levels to 600 feet and a Mill went into production. That Mill has been enlarged and additional equipment installed, and today the Little Long Lac Mine has demonstrated itself to be one of the important Canadian developments since the Kirkland Lake discoveries, and the opening of a new gold field of great promise has been inspired.

In its first year of operations the Mine paid for all expansions, forward mine development, and equipment additions, and closed the year with a surplus cash reserve.

1935 Tonnage Milled - - - - - -	62,073
Bullion Production - - - - -	$1,108,269
Net Profit - - - - - -	$ 420,013

At the present milling rate of 250 tons a day there is conservatively estimated to be over six years proved and probable reserve of ore. Development work to a depth of 1,000 feet shows main vein ore and the hospitable rock conditions to continue. The existence of parallel orebodies has been displayed. The narrow surface showings have led to the development underground of ore up to 40 feet wide in places.

That is Little Long Lac's record and four years ago the mine was silent bush.

•

OFFICERS AND DIRECTORS

JOSEPH ERRINGTON, *President*, Toronto
THAYER LINDSLEY, *Vice-President*, Toronto
A. B. GORDON, *Director*, Toronto
D. M. MORIN, *Director*, Sudbury
GEN. D. M. HOGARTH, *Director*, Toronto
L. A. MacDONALD, *Secretary-Treasurer*, Toronto

HEAD OFFICE

25 KING ST. WEST - - TORONTO, ONT.

Mine Office: Geraldton, Ont.

Papineau Find Has Spotlight North of Track

Hutchison Lake Makes Good Picture on Surface

TO SINK SHAFT

Like any small town, there is—or was—a right and a wrong side of the tracks at Geraldton, heart of the Little Long Lac activity.

Prior to last fall, the right side of the tracks, from a mining point of view was the south side. Here MacLeod Cockshutt, Hard Rock, Bankfield, and a host of other properties were focussing the attention of Canada. Here Little Long Lac Gold Mines was producing gold to the tune of about $150,000 per month.

North of the track was bush, a few obscure prospects, and an area described by geologists as "unfavorable to the deposition of gold."

If, around the middle of last month, you had seen the line-up of miners, prospectors, storekeepers, and other citizenry, seeking to purchase stock of Hutchison Lake Gold Mines at the brokers' office in Geraldton, you would have realized how thoroughly the picture has changed. Because Hutchison Lake is north of the tracks.

Geraldton and the Little Long Lac field in particular, is now definitely looking north to Hutchison Lake, where, on Oct. 10, George Papineau made a find which is now one of the show places of the area.

Will It Go Down?

This property, owned by Hutchison Lake Gold Mines, is nearly four miles due north from Geraldton. Only a limited amount of work has been done on the new find, insufficient to lend any point to the long arguments which daily take place in the hotel as to the merits of the find. There are those, among them experienced mining men, who do not believe the ore will go to depth. There are others who believe it will. Among the latter must rank a camp cook, who told the writer that when he first saw the new showings, he felt "just as if he had walked into the vaults of the Bank of England."

Drilling? The property has been drilled to the extent of 6,000 ft. but the new vein, known as No. 4 vein, has not been drilled. Last summer, Joseph Errington, of Little Long Lac fame, spent about $10,000 in drilling the property, and was not particularly encouraged by the results.

But Errington's holes were spotted some 200 ft. to the south of the new find. Moreover, the consulting engineer of Hutchison Lake, W. W. Beaton, is convinced, and gave expression to his conviction before any drilling was done, that drilling in this area would serve only to determine structure. The gold in this place is not evenly disseminated through the quartz, and drill core assays would give erroneous results.

Purchase Mining Plant

According to Mr. Beaton, diamond drilling so far has definitely shown the downward continuation of the other three veins to depths up to 300 ft. He believes that shaft sinking is now warranted. Accordingly a shaft site has been spotted, and mining machinery, capable of sinking a shaft to a depth of 1,000 ft. purchased.

Of the four veins so far disclosed, No. 4 is the most spectacular, although perhaps not the most significant. The original discovery, or No. 1 vein has been opened up by trenching for a length of 180 ft., and located in test pits for an additional length of 60 ft. In a shearing approximately five ft. wide are two strong quartz veins varying in width from six to 28 inches.

No. 2 vein structure is 80 ft. north of No. 1, and had been trenched, at the time of The Financial Post's visit, for 183 ft. This quartz vein along this length varies in width from four to 34 inches. No. 3 vein is a blind vein, not opened up on surface at all, due to swamp. It was located by drilling.

No. 4 vein, which was discovered on Oct. 10 by George Papineau, has been traced for 185 ft., and varies in width to from three to 22 inches. For a short distance, it is extremely spectacular on surface.

First Level at 150 ft.

W. M. Rice, engineer in charge of operations, told The Post that the first objective of the proposed shaft will be 150 ft. Crosscuts will be run north and south to intersect the four showings located on surface and by drill.

Hutchison Lake Gold Mines reports that it has $41,000 cash on hand, and that financing arrangements have been made to provide further funds, as needed. The company has an authorized capitalization of three million shares, $1 par, of which, as at Oct. 29, 1,764,805 have been issued, leaving 1,235,195 in the treasury. Of the issued stock, 832,500 are in escrow.

The company is headed by Major H. P. Snelgrove. Other officers and directors are George Papineau, vice-pres.; W. G. Chapman, sec.-treas.; W. W. Beaton and S. C. McLaughlin, directors.

Easy to Get a Find In L. L. L. District

There's one easy way, apparently, to get a "find" in the Little Long Lac field.

Crudely printed in ink on a slab of board nailed to a tree, is the following notice on some claims near Geraldton:

"Notice any person found cutting wood on this claims will be prosecuted.

"P.S. Any person found interfering with these sign is strickly liable to a find."

Work to West At Bankfield Inspires Camp

Results Strengthen Picture as Stock is Listed on Exchange

Bankfield Consolidated Mines is strengthening the Little Long Lac picture to the west.

Shares of Bankfield were listed on the mining section of the Toronto Stock Exchange, Oct. 29.

Bankfield Consolidated Mines is the successor to Bankfield Gold Mines, which received two million shares of stock last August for its property and equipment in the Little Long Lac field. In addition 369,709 shares were sold for cash making a total of 2,369,709 shares of the authorized three million shares capitalization, outstanding.

Recently Bankfield completed foundation for a 100-ton cyanide plant. The shaft has been sunk to a depth of 550 ft. with levels at 150, 275, and 525 ft. Raises have been driven in ore from the fourth to the first level.

Col. MacAlpine's Options

By an agreement dated Sept. 9, 1936, C. D. H. MacAlpine, well-known mining man, agreed to purchase 200,000 shares at 50 cents per share, which have already been paid for, and subscribed for an additional 200,000 shares at 75 cents per share, at which 169,702 shares have been paid for in full, the remaining 30,298 to be paid for as and when called by the directors. Col. MacAlpine was granted an option to purchase a further 200,000 shares at $1 per share to be taken up and paid for on or before Dec. 31, 1917. In a balance sheet as at Sept. 30, 1936 the company shows current assets at $143,504 against current liabilities of $35,566. The balance sheet shows that as at the end of September Bankfield held 279,204 shares of Greenbank Gold Mining Company, shown at a cost of $27,920.

From the inception of the company Sept. 1 to the end of September, total expenditures on mine development, miscellaneous and head office expenses totalled $16,175.

No Merger Yet

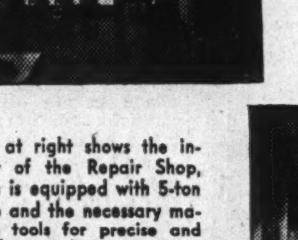
Bankfield is playing a big part in extending the camp to the west. Diamond drilling on the 525-ft. level has intersected what looks like a profitable ore body. Some 6½ ft. of this intersection is said to average $42 in gold, after elimination of the high-grade sections.

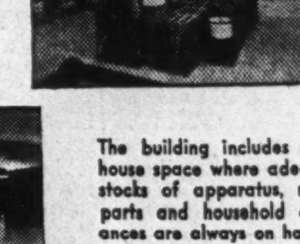
Rumors are rife in Geraldton to the effect that Bankfield, and its westerly neighbor, **Tombill Gold Mines,** will amalgamate. The Financial Post learns reliably, however, that no agreement has been consummated, although the merger is still a possibility.

NOW . . . Factory Service Methods For Northern Ontario Mines

Thoroughly modern design and equipment distinguishes this new Westinghouse Service and Repair Shop at Swastika. The two views below show part of the well-lighted offices.

The Service Shop is equipped with an electric Baking Oven for general repair work.





CANADIAN WESTINGHOUSE

Complete modern Repair Shop and Warehouse at

SWASTIKA, ONTARIO

To make modern electrical repair service and electrical supplies easily available to Northern Ontario mine operators, the Canadian Westinghouse Company has constructed yet another up-to-the-minute repair shop and warehouse at Swastika, Ont.

The service staff consists entirely of Westinghouse factory-trained men. This new office is now Westinghouse headquarters for sales and service in Northern Ontario. Here mine operators are assured of completely reliable electrical service to any type of equipment.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON ONTARIO

Branch Offices and Repair Shops in All Principal Cities

View at right shows the interior of the Repair Shop, which is equipped with 5-ton crane and the necessary machine tools for precise and speedy repairs to motors, transformers and every kind of electrical equipment.

The building includes warehouse space where adequate stocks of apparatus, repair parts and household appliances are always on hand.

8245

Westinghouse

Four Producers by 1937 is Aim of Young Camp

Long Lac Gold First in Area Grows Rapidly

Earmarks of Large Scale Producer Seen in "Daddy" of Field

OUTPUT STEADY

Although not the first property staked in the Little Long Lac field, Little Long Lac Gold Mines may be termed the "Daddy" of the area, inasmuch as it was the first property to be brought into production, and has been the inspiration for the field.

The creation of Little Long Lac Gold Mines was one of the neatest, quickest mining-making jobs ever done in Canada—once the discovery was made. Located in August, 1932, the property was drilled the following winter, developed underground in 1933, equipped with a mill in 1934, and has to date produced almost $2.5 millions in gold. Gross monthly output is now about $150,000.

To this record, the location of the property has contributed a lot. Close to the railway, and with hydro power easily accessible, the managers of the company had few of the tremendous geographical obstacles which face many mine makers in Canada.

But it was by no means all "beer and skittles." The vein outcrops quite close to the lake, and in sinking the shaft, a seam in the rock was struck a little below the 200-ft. level. Water poured in at a faster rate than the pumps could handle.

Here was a problem which called for engineering skill, with a capital S. Fortunately, in addition to ideal geographical location, the company was also equipped with engineering skill in the person of Alan A. Barton, mine manager. By a unique method, cement was pumped into the seam, the flow of water sealed off, and work continued.

Today, Little Long Lac Mines is opened up to the 7th, or 850-ft. level with two new levels being developed to 1,000 ft.

In addition to gathering evidence that the vein system persists well below the present workings, the company has had success in extending the ore bodies to the east. To date, work on the lower levels is producing results which exceed expectations.

What sort of a future has Little Long Lac Gold? At the present time, the company is keeping its output fairly steady at around 250 tons per day, grossing about $150,000 per month. In 1935, on a mill basis of 175 tons per day, the company showed an operating profit of $636,944. Recovery per ton averaged about $17.85. Assuming the same recovery per ton, the company should this year show an operating profit of something over $1 million. In September, however, the recovery per ton was considerably higher at $20.

May Increase Mill

It is quite probable Little Long Lac will increase its daily tonnage in the near future, although nothing official has been made public. Total costs per ton in 1935, including depreciation, deferred development and taxes, were $11.17. Less exploration, greater tonnage, and higher recovery are expected to lower these costs during the present year.

From the point of view of ore reserves, Little Long Lac Gold is in a healthy position. The latest official estimate, made in March, 1936, places proved, broken, probable, and possible ore at 320,755 tons, grading 0.515 ounces, or, at current price, about $18 per ton. Work to the east, in addition to further development work done this year, will, of course, have increased this tonnage considerably. So even at a 400 tons per day milling rate, the company has a comfortable margin to work on.

Little Long Lac Gold Mines is also fortunate in having a low capital structure. With an authorized capitalization of only 2 million shares, only about 1,833,000 shares are out.

Working capital at the end of 1935 amounted to $277,249. Already the company has made three dividend payments of 10 cents per share, with prospects of another in the new year bright.

OPTIONS

The following options and underwriting agreements have been reported to the Toronto Stock Exchange:

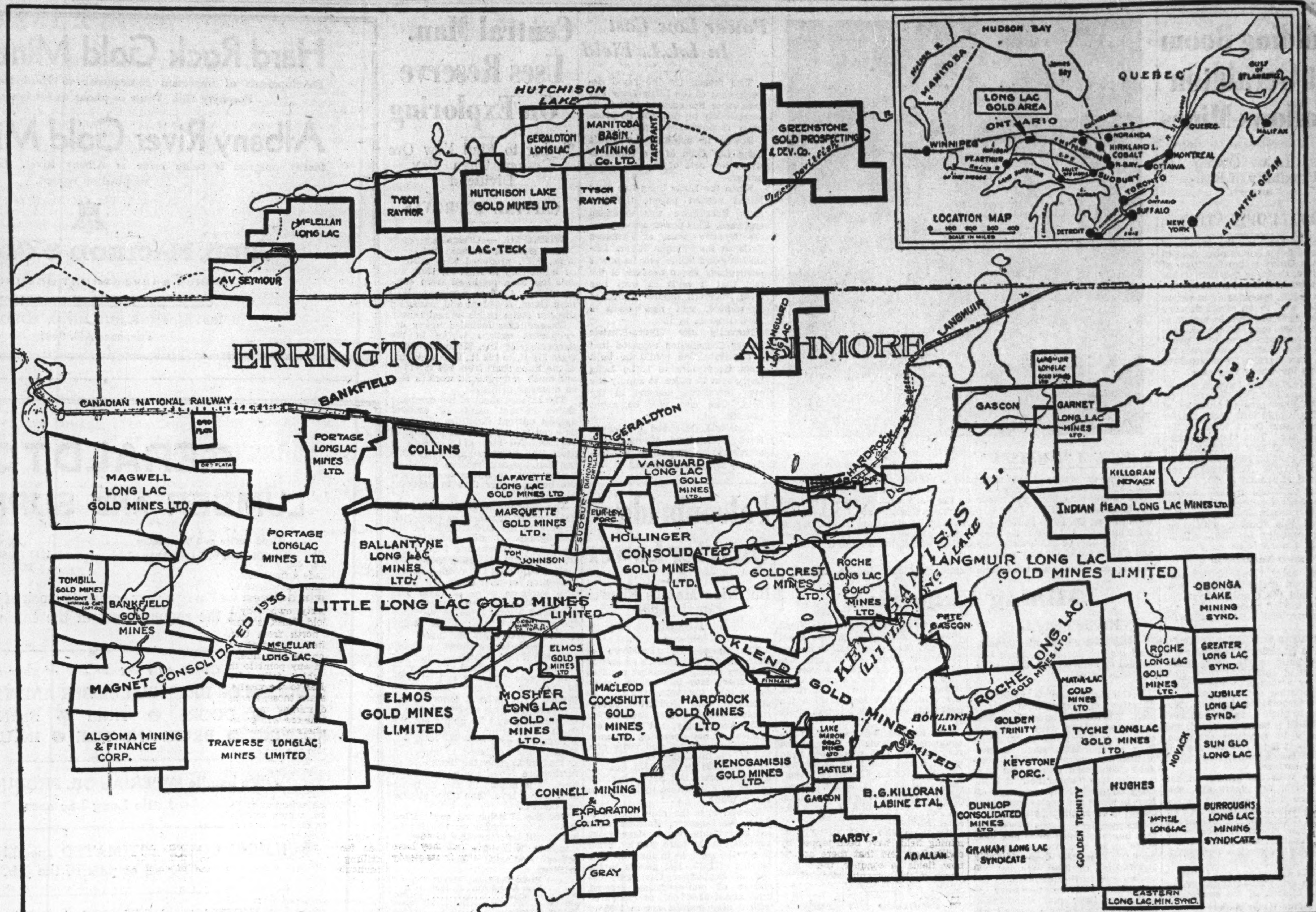
Algoma—Oct. 22 payment for 100,000 shares at seven cents per share has been paid. Balance of the agreement comprises an option on 130,000 shares at eight cents per share by Nov. 21.

Norgold—Aug. 21 agreement covering 1,300,000 shares has been terminated by mutual consent, 200,000 shares having been taken up. A new agreement dated Oct. 20 has been made covering 1,100,000 shares to be taken up in blocks monthly beginning Nov. 1 and terminating Dec. 31, 1937 at ascending prices from 10 cents for the initial block to $1 per share for the last payment. In addition, a block of 10,000 shares, which is part of the Nov. 1 installment, has already been taken up.

Reno—An extension to Nov. 22 next has been given on option to purchase 33,694 shares of $1.30 per share under underwriting and option agreement Sept. 24.

Sudbury Contact — A block of 50,000 shares, part of the Nov. 30 installment, has been taken up at 25 cents per share and a block of 25,000 shares, part of Dec. 31 installment, has been taken up at 30 cents per share under agreement Oct. 10, 1936. Balance of agreement comprises an option upon 50,000 shares at 25 cents by Nov. 30 and 75,000 shares at 30 cents per share by Dec. 31.

Paulore—By agreement Jan. 12, 50,000 shares were underwritten at seven cents and an option granted on a further 50,000 at the same price, together with seven blocks of 100,000 shares each at 8, 10, 15, 20, 25, 30 and 35 cents. Monthly payments commence Feb. 17 with a provision that as each monthly installment was taken up, the installment for the succeeding month became an underwriting in lieu of an option. A total of 700,000 shares has been taken up to date and the amount outstanding under the agreement was two blocks of 50,000 shares each at 35 cents by the 17 days of March and April, 1937.



Little Long Lac — 12 Miles of Intense Mining Activity

Mining Companies Newly Formed

Arncoeur Gold Mines — Que. incorp., Sept. 28, 1936. H. O., Arntfield, Que. Author. cap., $3,000,000, par $1.

Black Panther Mining—B. C. incorp., Oct. 15, 1936. H. O., Suite 4, Croll Block, Port Alberni, B.C. Author. cap., $20,000, par $1.

Bruell Gold Mines (1936)—Ont. incorp., Oct. 8, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Cache Lake Chibougamau Mines—Que. incorp., Sept. 24, 1936. H. O. Montreal. Author. cap., $3,000,000, par $1.

Canadian American Development—Que. incorp., Sept. 30, 1936. H. O. Montreal. Author. cap., $99,000, par $1.

Canagan Mines—Ont. incorp., Sept. 30, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Canty Gold Mines—B. C. incorp., Oct. 6, 1936. H. O., Suite 1508, Standard Bank Bldg., 510 Hastings St. W., Vancouver. Author. cap., $10,000, par $1.

Christie Gold Mines—B. C. incorp., Oct. 20, 1936. H. O., c/o John West, Victoria Hotel, Lillooet, B.C. Author. cap., $50,000, par $1.

Crown Point Gold Mines—Que. incorp., Sept. 24, 1936. H. O., Montreal. Author. cap., $3,000,000, par $1.

Franklin Gold Mines (1936) — Ont. incorp., Oct. 8, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Golden Zone Mines—B. C. incorp., Sept. 23, 1936. H. O., Room 524, 736 Granville St., Vancouver. Author. cap., 3,000,000 shares, no par value.

Hiawatha Gold Mines — Ont. incorp., Sept. 25, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Holbrook Red Lake Mines — Ont. incorp., Sept. 25, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Jane Gold Mines—Ont. incorp., Sept. 29, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Jedder Gold Mines—Ont. incorp., Oct. 14, 1936. H. O. Toronto. Author. cap., $2,000,000, par $1.

Kewagama Gold Mines — Ont. incorp., Oct. 7, 1936. H. O. Toronto. Author. cap., 5,000,000 shares, no par value.

La Salle Gold Mines — Que. incorp., Sept. 24, 1936. H. O., 930 Clarke St., Montreal. Author. cap., $3,000,000, par $1.

MacDougall Porcupine Gold Mines — Ont. incorp., Oct. 13, 1936. H. O., Lakeview, District of Cochrane. Author. cap., $3,000,000, par $1.

Maritime Cadillac Gold Mines—Ont. incorp., Oct. 14, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Mercier Mines—B. C. incorp., Sept. 28, 1936. H. O., c/o T. Mercier, Golden, B.C. Author. cap., $1,000,000 divided into 2,000,000 shares of 50 cents each.

Moorehead Golds—B. C. incorp., Sept. 21, 1936. H. O., 800 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap., $1,000,000. par $1.

Olympic-Cadillac Gold Mines—Ont. incorp., Oct. 8, 1936. H. O., Toronto. Author. cap., $3,000,000, par $1.

Palmvon Exploration — Ont. incorp., Sept. 29, 1936. H. O. Toronto. Author. cap., $100,000, par $1.

Polaris-Taku Mining — B. C. incorp., Oct. 17, 1936. H. O., c/o Robertson, Douglas & Symes, Bank of Montreal Bldg., Vancouver. Author. cap., $808,300, divided into 8,000 preferred shares, par $100, 8,300 shares of $1 each.

Richgreen Gold Mines — Ont. incorp., Oct. 13, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Sudbury Trill Mines—Ont. incorp., Oct. 2, 1936. H. O. Hamilton. Author. cap., $1,000,000, par $1.

Twinlake Cadillac Gold Mines Syndicate—Que. incorp., Sept. 22, 1936. H. O. Montreal. Author. cap., $49,000, divided into share of $20 each.

Valco Cadillac Mines — Que. incorp., Sept. 21, 1936. H. O. Quebec. Author. cap., $3,000,000, par $1.

West Gap Porcupine Gold Mines—Ont. incorp., Sept. 28, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Ypres Cadillac Mines—Ont. incorp., Oct. 1, 1936. H. O. Toronto. Author. cap., $3,500,000, par $1.

Surrender of Charter

Castle Mining—Notice given of application for surrender of charter.

Monarch Great Bear Syndicate—Notice given Oct. 14, 1936, that surrender of charter will be made Nov. 9, 1936.

Wood-Kirkland Gold Mines — Notice given Oct. 5, 1936, that company will surrender its charter Oct. 26, 1936.

Capital Increased

Oro Plata Mining—Supplementary letters patent issued Sept. 28, 1936, increasing the capital of the company by the creation of 1,960,000 additional shares of no par value.

Porcupine United Gold Mines—Supplementary letters patent issued Sept. 25, 1936, increasing the capital of the company from $1,000,000 to $3,000,000 by the creation of 2,000,000 shares of $1 each.

Freeze-up Finds Red Lake Short

Food, Supplies Trapped as Flying Season Interrupted

From Our Own Correspondent

HUDSON.—At the time of writing a serious food shortage threatens the three thousand persons at Red Lake due to the exceptionally early freeze-up which caught mining companies unprepared.

The camp is entirely without meat except the little that can be flown in by pilots who are flying over many ice-locked lakes and thus taking many chances. One air company has quit flying, refusing to risk pilots' lives.

Altogether 500 tons of food is undelivered and will not be delivered unless it is possible for transportation company ice-breakers to push through ice which has formed on the Chunkuni River between Gold Pine and Red Lake. If the transportation companies are unable to deliver this food there will be an acute shortage over in-between season which, owing to the early freeze-up, promises to be exceptionally long this year.

In addition to food, another 500 tons of freight, including machinery and equipment, is also undelivered and, unless a mild spell comes for about a week, it will not be taken in by boat so that mining operations at some properties will be seriously curtailed.

U. S. May Introduce Treaty To Cut Dividend Tax to 5%

From Our Own Correspondent

OTTAWA.—The Dominion Government has every expectation that when Congress meets at Washington it will ratify a treaty providing for the deduction of only 5% of the sums received by Canadian investors on their United States investments, instead of 10% as now.

Negotiations have been in progress between Ottawa and Washington for some time. Ottawa is trying to speed up the matter. It is quite as important a matter for the Dominion Government as for the individual investor. Ottawa thinks that a substantial part of the additional funds will enter the coffers of the federal treasury via the income tax branch, when the reduction is made.

Canada's Advantage

Canada is in a position to put up a strong argument on the question, as American investment in Canada is much larger than the other way around. An increase in Canada's tax on the United States investor would yield large sums. Washington has shown every disposition to be reasonable on the matter, however, and it is believed a treaty will be signed in time to submit to the United States Senate early in the coming session.

Oro Plata Mining Corporation Limited

CAPITALIZATION - 2,000,000 shares N.P.V.
ISSUED - 1,000,000 shares

Board of Directors

ARTHUR W. CARR, *President*
D. M. HOGARTH, *Vice-President*
JOSEPH ERRINGTON
J. H. C. WAITE
C. D. H. MACALPINE
W. H. ENGLEBRIGHT
J. T. FRAME, *Secretary-Treasurer*

Chief Engineer

S. J. KIDDER

Head Office

1101 Federal Building
Toronto

HUTCHISON LAKE GOLD MINES LIMITED

(No Personal Liability)

CAPITALIZATION

Authorized — 3,000,000 shares, $1.00 Par
Issued — 1,764,805 shares, (832,500 pooled)
Treasury — 1,235,195 shares, (as of Oct. 29/36)

OFFICERS AND DIRECTORS

President:
Maj. H. P. Snelgrove, Toronto, Ont.
Vice-President:
Geo. Papineau, Port Arthur, Ont.
Director:
S. C. McLaughlin, Toronto, Ont.
Director:
W. W. Beaton, B. Sc., Port Arthur, Ont.
Director:
Wm. J. Ryan, Toronto, Ont.
Secretary-Treasurer:
W. G. Chapman, Toronto, Ont.

OPERATIONS

The Company owns 19 mining claims at Hutchison Lake in the Little Long Lac Sector.

Extensive surface exploration and diamond drilling has disclosed four vein structures containing important gold values.

A complete mining plant has been purchased and a three-compartment shaft is to be sunk to an initial depth of 150 feet, from which horizon underground development will be carried out.

HUTCHISON LAKE GOLD MINES LIMITED

Head Office:
200 Bay Street, Toronto, Ont.

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Demands of Rapidly Growing Town Result in Building Boom

Building Boom At Geraldton Follows Mines

Costs Low Owing to Proximity of Railway

2,000 POPULATION

So rapid has been the growth of the Little Long Lac mining field in Northern Ontario, that the town of Geraldton, centre of the district, has had its troubles keeping pace.

As a result, intensive construction is under way in an effort to cope with the demands made by a population of 2,000, most of whom have money to spend. Geraldton's population, like that of most mining towns, can hardly be accused of hoarding the money they earn.

A resident of the town in a position to know told The Financial Post that buildings now under way at Geraldton would total about $80,000, a sizeable sum for a town of this size and age. This man estimated that nearly 50 new buildings were going up, ranging in cost from $700 to about $17,000. The average cost he placed at around $1,000.

These buildings include a new brick and tile theatre, the first building of this nature in the town. It is expected this theatre, which has seating capacity for 550, will be ready in a week or so.

Varied Construction

Stores, dairy firms, lumber concerns, grain companies, taxi companies, and the Canadian National Railway are all represented in the new construction, as well as home-owners.

In addition to building construction, it is possible some more roads will be built in the near future. Operators at Hutchison Lake, now served by a four-mile wagon road, are negotiating for construction of better transportation facilities. The highway to Little Long Lac and west to Bankfield is being improved, and is already in excellent condition. This highway is 100 ft. wide, and was gravelled last summer, making an excellent surface.

In line with the growth of the town, which, two years ago, was little more than a clearing in the bush, is the proposal to erect a new school at Geraldton. At present the Presbyterian church is functioning in this capacity, and proposals are being made to erect a new brick edifice.

At Little Long Lac Gold Mines, is a modern and well-equipped school for the children of the employees.

After Water Supply

Another proposal well in hand is the tapping of a lake north of the townsite as a water supply. Plans are to pump the water to a large tank in the town.

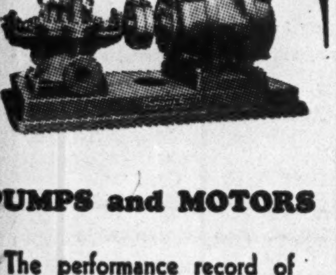
Owing to its proximity to the railway, building costs at Geraldton are not as great as in other northern centres.

Building is being concentrated on the main street, where lots have all been sold, and on the Little Long Lac-Geraldton Highway.

"Le Parthenon" Bonds Sold Publicly at Par

From Our Own Correspondent

MONTREAL.—An issue of $50,000 of first mortgage 4% bonds of "Le Parthenon," of Sherbrooke, is being offered by Lucien Coté Inc., Quebec City, at par and accrued interest. The bonds, which are payable in Canadian funds only, mature in blocks of $3,000 for each year up to 1941; $3,500 a year for the next two years; $4,000 a year for 1944 and 1945; and $22,500 in 1946.



PUMPS and MOTORS

The performance record of Fairbanks-Morse pump installations is founded upon two factors. First, the quality of the equipment. Back of every F-M Pump and Motor is the experience of pioneer builders and the resources of one of the world's largest pump and motor manufacturers. Second, the proper application of equipment. Fairbanks-Morse combined knowledge of power and pumping assures a perfect balance between units and a close application to specific problems.

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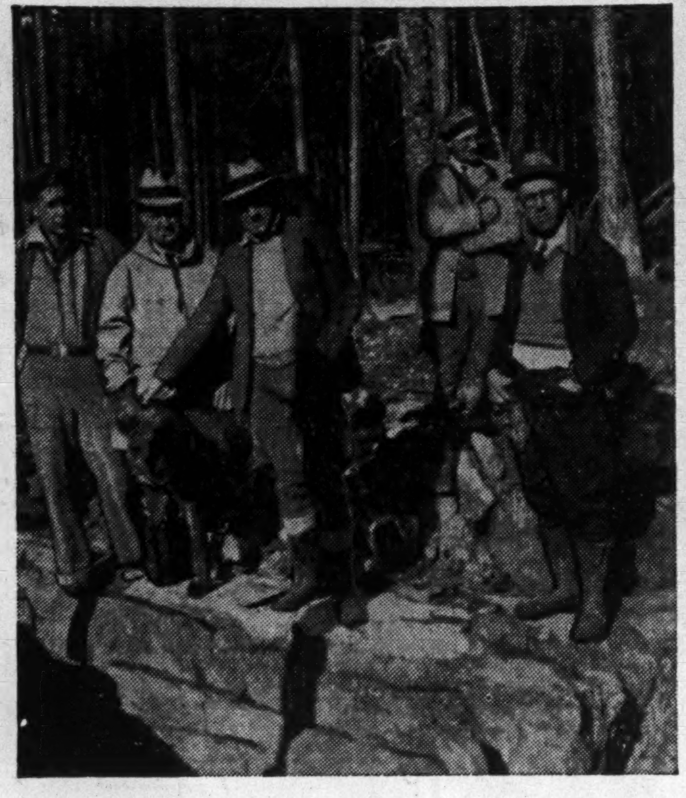

HAVING A "LOOKSEE"

Mining experts have been interested in the new find at Hutchison Lake Gold Mines, about four miles north of Geraldton. Above, a group of them were caught examining the trench on the No. 4 vein. From left to right, the observers are Abbot Renick, mine superintendent at Little Long Lac Gold Mines; Dr. F. R. Burton, field man for Mining Corp.; A. A. Barton, mine manager at Little Long Lac; W. Samuel, geologist for the same company; and George Papineau, vice-president of Hutchison Lake Gold Mines and discoverer of the new vein.

Mining Enquiries

Roche Long Lac

Something on the management and outlook for Roche Long Lac would be appreciated. Why is the stock so active?

Roche Long Lac is under the direction of experienced mining men. The Roche interests have been associated chiefly with mining operations in their initial stages rather than at the later stage of production but operations of the company have been carried out in a conscientious manner both at Little Long Lac and in the company's efforts to locate and explore promising claims in other mining areas.

The company reported recently that important new finds had been made on its new property in Connaught Township but the full significance of these are not yet known and further exploratory examination will be necessary to determine their real significance. Meanwhile speculative interest has been aroused in the find and probably accounts for revival of trading interest in the shares. Roche Long Lac is, of course, a prospect in the meantime and shares remain speculative. It is most probable, however, that the property will receive a thorough test of its mining possibilities.

Plains Petroleum

I would like information regarding Plains Petroleum Corp. What can the common stock be bought for? I know the location of the corporation's leases and in the early days, between 1901 and 1912 I travelled over what is now their property and I know there is oil in that part of the country.

Plains Petroleum Corp. is drilling its first well near Taber, Alberta, and has paid the contractor in full for the drilling. The company appears to be amply financed for its present programme, and has no liabilities. Four of the company's directors are well-known oil operators in the U. S. and as a group own 32 oil companies in the eastern United States. The group is said to be the largest independent group of oil operators in the eastern states and Plains Petroleum is its first venture in which there has been public participation.

You cannot buy the common stock at the moment since it is not on the market. The common stock, which forms a part of the voting trust agreement, is pooled at the discretion of the Ontario Securities Commission, and under the voting trust agreement cannot be released in any case until the first well is completed. It is possible, according to officials, that some of the common may be released within the next month. The preferred stock is a 6% issue from which holders derive a 6% return, with any return over 6% divided equally between the preferred and common shareholders.

Harker Gold Mines

I would appreciate receiving as complete a report on Harker Gold as possible. Is the property to be worked again?

There is no word of Harker Gold Mines resuming active operations as a mining development company. The company is still classified as inactive and owning a gold prospect of 18 claims in Harker Township which was developed through a shaft sunk 1,000 ft. with lateral work on the 250-, 375-, 500- and 1,000-ft. levels. Developments failed to disclose ore of importance and the property was closed down in 1929 and the company's equipment sold in 1933.

Harker, in fact, is now an investment company. A total of 1,334 common and 1,334 preferred shares of N. A. M. E. which the company bought for $50,025 in 1932 were exchanged in 1935 for 14,674 shares of Pickle Crow Gold Mines and 14,674 shares of Val D'Or Mineral Holdings on a basis of 10 Pickle Crow and 10 Val D'Or for each preferred share and one Pickle Crow and one Val D'Or for each common share of N. A. M. E. held. The company still holds this stock in its treasury together with 250,000 shares of Greene-Stabell Mines, purchased in 1929 at 40 cents a share.

Early this year the company acquired joint options with Val D'Or Mineral Holdings on the Victoria-Jessie, Kootenay Star, North Star and Bird's-Eye groups about 8 miles from Nelson, B.C. A mining plant has been moved into the property but we have no word of further development. Former work included a tunnel driven 226 ft. on the vein, with values of $7 a ton over drift widths for a length of 160 ft.

Last financial information on the company available is that income for the year 1935 was $4,645 from which a net profit of $2,400 was realized. At Dec. 31, 1935, the company had cash of $7,017; investments of $198,645 with a market value at June 25, 1936 of over $350,000. These latter consisted chiefly of shares of Greene-Stabell and of Pickle Crow; loans and interest accrued, repayable March 15, 1937, $53,000. There are 4 million shares outstanding of the company's authorized 5 million shares.

Eldorado Dividend

I have been told that Eldorado Gold Mines will shortly pay a dividend. Do you expect such a move?

As to the chances of Eldorado Gold Mines Ltd. paying a dividend, we would think that any action of this nature is still a very distant possibility. Naturally the object of the company is eventually to pay dividends to shareholders but it should be noted that in July of this year a plan was presented to shareholders to increase the capital stock from 3 million shares to 4 million shares and to sell some of the additional shares to raise money to retire loans and provide additional working capital. This share increase was approved and the additional million shares were listed on the Toronto Stock Exchange. At September 21, shareholders of the company had taken up 50,769 shares at 95 cents a share and 247,231 shares had been taken up at 95 cents a share by the underwriter, Harry Snyder Ltd.

By these arrangements the directors stated they would be able to pay all liabilities of the company due to banks and others and enable the company to carry out plans for expansion. There seems to be no indication of an early dividend in this situation.

Shades of the Past

I have found among my possessions some stock in Erie-Ontario Gold Mines, and Alaska Oils and Mines Exploration and Development Co. What is the present market value of this stock, and what are the companies doing?

Both Erie-Ontario Gold Mines, and Alaska Oil and Mines Exploration and Development Co. were promotions of Douglas Lacey & Co., which once operated from 65 Broadway, New York.

The companies you mention were only 2 of dozens promoted by this concern between 1900 and 1907, collecting around $4 millions from the public from the sale of about 40 millions of shares. No trace of the promoters can be found after 1908 and the firm apparently ceased to exist, according to the Marvyn Scudder Manual of extinct or obsolete companies.

Attempts have been made in the past to find markets for the various stock promotions of the concern but without success, and it is presumed these numerous promotions ceased to exist or "died a natural death" about 1907 or 1908 or even prior to those years.

Industrial Share Trading In Montreal Up Sharply

From Our Own Correspondent

MONTREAL. — Turnover on investment shares in the Montreal Stock Exchange and Montreal Curb Market almost doubled for the second consecutive month during October. Nearly 2.2 million shares of industrials changed hands, as against 1.2 million shares in September and with 588,795 shares in Oct., 1935.

Mining volume on the two exchanges during October amounted to 3.9 million shares, a decrease of 3.4 million shares, from Setember. In October last year mining turnover totalled 902,763 shares.

Combined sales of industrial mining shares last month totalled 6.1 million shares, compared with 8.5 million shares in September and 1.5 million shares in Oct., 1935.

Power Low Cost In L.L.L. Field

Two reason for the rapid development of the Little Long Lac area since the rush of 1932 is its accessibility by rail, and its proximity to power.

Power is obtained by Little Long Lac Gold at the comparatively low rate of $21 per horsepower.

When the Little Long Lac Gold Mines needed power, the line from Beardmore was extended eastward. This power comes from the Hydro's plant at Cameron Falls on the Nipigon River. Little Long Lac Mines gets its power particularly cheap because of the fact that it built its own line from Northern Empire Mines, at Beardmore, and now owns a 100% interest in it.

Recently the Hydro-Electric Power Commission reported that a duplicate line would be built from Beardmore to Little Long Lac, about 70 miles, to supply the ever increasing demand in the field. The cost will be about $460,000.

Bankfield, MacLeod Cockshutt, Hard Rock Gold Mines, and others are understood to be negotiating separate contracts.

Falconbridge Quarter Lower

But Nine Months Figures Equal 1935 Results

The unexpected shut-down at Falconbridge Nickel Co.'s smelter at Sudbury during September resulted in a sharp drop in tonnage treated in the third quarter of the year, as compared with production figures in the corresponding quarter of 1935. Accordingly, net profit, exclusive of non-operating revenue, but including taxes and write offs, fell for the third quarter to $287,878, from $506,394 in the 1935 quarter. The shut-down last September was caused by destruction by fire of the Hydro plant.

Viewed over the nine months to Sept. 30, however, Falconbridge's net so far this year is, despite the handicap in the third quarter, practically the same as in the first nine months of 1935. Net profits to the end of September this year, exclusive of non-operating income, total about $1,003,807, as compared with a nine months net in 1935 of about $1,078,837.

At the mine, the ore zone was cut satisfactorily at the 1,750-ft. level of the No. 5 shaft, by diamond drilling from that level. As reported recently in The Financial Post, the expansion programme at Sudbury is virtually completed, and in service, and it is expected that the whole enlargement, both at Sudbury and at the refining plant in Norway will be in action by December.

Operations for the third quarter of the year, compared with those for a similar period in 1935, are analyzed in the following tables:

Operating Statement Quarter Ended Sept. 30

	1936	1935
Tons treated	59,923	77,883
Nickel in matte, lb.	2,060,621	2,850,189
Copper in matte, lb.	984,901	1,336,449
Refined nickel, lb.	2,834,248	2,734,227
Refined copper, lb.	1,060,725	1,304,783
Gross oper. profit	$521,354	$719,052
Less: Prov. for taxes	64,500	60,000
Profit after taxes but before write offs	$456,854	$653,052
Less: Depr. & def. devel.	168,976	146,658
Net profit	$287,878	$506,394

Note:—Above figures are exclusive of non-operating revenue.

Capital expenditures:		
Plant & equip.	$619,295	$225,153
Mine devel. deferred	57,511	42,286

Opemiska Reports Lukewarm Results

Will Deepen Shaft and Drill from 525 ft.

Work on the new 275-ft. level at Opemiska Copper Mines, 30 miles west of Chibougamau, while not yet conclusive, has been disappointing, states H. S. Munroe, consulting engineer, in a report released by the company.

Opemiska, a Ventures subsidiary, started shaft sinking in March of this year. The shaft was sunk to the 275-ft. level, and 2,335 ft. of drifting and crosscutting carried out, of which 1,915 ft. were on the 275-ft. level, and 420 ft. on the 150-ft.

The company will now deepen the shaft to the 525-ft. level and drill horizontally from this level. It is expected this work will not be finished until September, 1937.

B. C. Lumber Exports

British Columbia export lumber shipments by water to world destinations increased by almost 36% in the first nine months of 1936, reaching a total of 871,256,961 board feet compared with 630,807,054 board feet in the same period of 1935.

Central Man. Uses Reserve On Exploring

Trying to Find New Ore Rather Than Pay Dividend

CAPITAL [illegible]PROVES

From Our Own Corres[illegible]dent

WINNIPEG. — Central [illegible]nitoba Mines since operations sta[illegible] in Nov., 1927, produced $3¾ milli[illegible] of bullion up to Aug. 31, 1936. A[illegible] this has been produced from comparatively shallow horizons, William Hurst, president and managing director states in his annual report.

Expenditures included heavy development outlays taking in the deepening of the Kitchener shaft from 375 ft. to 908 ft., the deepening of the Hope shaft from 200 to 475 ft. and much underground work as well as diamond drilling.

The balance sheet of the company shows current assets of $266,962 against current liabilities of $33,058 or a net working capital position of $233,904. No hint of dividends is given, the directors apparently feeling that the cash reserve would be better spent in trying to find new ore bodies rather than in payment of a dividend.

The company received during the year further payments on the option it gave to the Oro Grande on the Solo group. It also added to its holdings by purchasing from Findlay McCallum and associates, three claims, adjoining and needed for the protection of the Hope ore body. The purchase price of these was $5,000 and 75,000 shares of Central Manitoba Mines, these at the time the agreement was made being quoted at five cents per share.

Ore reserves are shown at 13,000 tons, but it also pointed out that this estimate is one arrived at only with considerable difficulty and is liable to revision as new stopes are opened. The general tenor of the report of the mine superintendent is encouraging, and he points out the shoot of ore running slightly over .5 ounces of gold over 3½ ft. in the Hope, while not large, is important as tending to show the likelihood of further ore deposits of a similar nature. It is important also as being at a deeper level than other similar ore bodies.

On the Kitchener, exploration work is in progress on two levels, but it will be some time before the crosscuts will have reached ore bodies indicated by diamond drilling.

Profit and Loss Account Year Ended Aug. 31, 1936

	$
Bullion revenue	444,284
Interest	5,509
Sundry revenue	13,661
Total income	463,454
Less: Development	143,056
Mining	143,710
Milling	93,581
Silicosis assess. accrual	1,605
Insurance	5,357
Bullion expense	8,529
Admin. & general exp.	18,782
Profit before deprec., etc.	48,834

Rhodesian Selections

The construction programme of Rhodesian Selection Trust Ltd., planned in 1934, is almost completed, according to the annual report of the company for the year ended June 30, 1936.

Arrangements have been made with Roan Antelope Copper Mines to smelt the company's concentrates, thus avoiding the necessity of opening the Mufulira smelter at present.

Production of blister copper for the account of the company under terms of the agreement with other large producers was 28,123 long tons compared with 20,723 long tons for the previous year. Average revenue per long ton of blister copper showed a sharp gain at £35.166 against £27.908 for the preceding year. Costs per ton, excluding only taxation were lower at £30.281 per long ton against £33.141 in the previous year.

Arrangements under the copper restriction plan have worked satisfactorily and there has been a steady rise in the price of copper accruing to the company, the report says. Production rate has been increased to 2,664 long tons of fine copper per month.

Total current assets of the company were £833,859 at June 30, of which £532,380 were cash. Current liabilities totalled £122,812, leaving working capital at £711,047.

Income and Surplus Account Years Ended June 30

	1936 £	1935 £
Copper sales	988,983	578,348
Less: Oper. exps.	645,656	519,110
Realiz. exps.	45,765	30,445
Oper. profit	297,562	28,793
Add: Int. rec.	4,796	5,800
Less: Sals., exps., etc.	13,158	11,061
Directors' fees	3,700	3,682
Legal, audit chgs.	246	321
Trustee's fees	375	327
Trans. off. fees	190	178
Net earnings	284,689	19,024
Less: Replace. res.	60,000	60,000
Debenture int.	82,500	61,650
Net profit	142,189	*102,626
Less: Prev. deficit	226,234	123,608
Res. for taxation	9,500	......
Deficit forward	93,545	226,234

*Loss.

Roche Long Lac Gold Mines LIMITED

(No Personal Liability)

OFFICERS AND DIRECTORS

JOHN J. REA, Toronto, Ont. *President*

PETER J. ROCHE, Toronto, Ontario *Vice-President*

W. H. BEATTY, Toronto, Ontario *Secretary-Treasurer*

Transfer Agents THE STERLING TRUSTS CORPORATION Bay St., Toronto, Ont.

HENDERSON YOUNG
STANLEY BALL
DR. CLARK NOBLE
Directors

Bankers IMPERIAL BANK OF CANADA Bay and King Sts., Toronto, Ont.

HEAD OFFICE — STERLING TOWER — TORONTO

Hard Rock Gold Mines, Limited

Developments of important consequence to Hard Rock are taking place on Porphyry Hill. Write or phone us for latest information.

Albany River Gold Mines, Limited

Steady progress is being made at Albany River. Latest information gladly supplied on request.

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MacLEOD-COCKSHUTT GOLD MINES LIMITED

(No Personal Liability)

● CAPITALIZATION ●

Authorized - - - - - 3,000,000 Shares of $1.00 par value

Issued As of Oct. 15th, 1936 - - 2,415,005 Shares (On completion of present financing 2,817,505 shares)

● OFFICERS AND DIRECTORS ●

FRED G. MACLEOD	Toronto	President
ARTHUR COCKSHUTT	Toronto	Director
JOSEPH ERRINGTON	Toronto .. Vice-Pres. &	Director
MAJ. GEN. D. M. HOGARTH	Toronto	Director
J. M. MACINTOSH	Toronto .. Sec.-Treas. &	Director
H. S. MONROE	Toronto	Director
FRED SEARLS, JR.	New York	Director

Registrars and Transfer Agents
CHARTERED TRUST & EXECUTOR COMPANY
Toronto

● PROPERTIES ●

The Company owns 22 claims in the Little Long Lac district of Northwestern Ontario, about three miles from Geraldton on the C. N. R. This property adjoins, on the south, that of the Little Long Lac Gold Mines Limited.

● DEVELOPMENT ●

Underground development is now well under way on the company's property, after extensive diamond drilling revealed that the main ore series has a length of at least 1,400 feet with a large tonnage of ore of good value indicated. Work is taking place at 200 and 350 feet and the shaft will be carried down level by level without interfering with the program of lateral development of the ore system.

Drilling, both of exploratory and development character, will continue.

HEAD OFFICE
357 BAY STREET TORONTO

Week in Mining

Industrial Recovery Still Market Factor

Makes Self Felt Through Continued Strength of Base Metals — Golds Hold Their Own

The mining market, apparently, has had more important things to worry about than the United States elections. As a rule, developments across the border have a decided effect on Canadian securities. Currently however, the market remained aloof from the American scene, and still based its movements on the base metal improvement, and the gold situation.

Base metals have continued strong, as the statistical position steadily improves. Such copper stocks as Waite Amulet, Sherritt-Gordon, Coast Copper, and others analyzed some weeks ago in this paper, have all enjoyed a considerable market improvement.

Gold stocks have not presented as united a front, although there have been more gains than losses. The losses were the result of localized conditions, McWatters Gold Mines being the most prominent. The decline here is due to lack of tangible ore results underground. In the meanwhile, ore reserves, mostly broken, are sufficient to keep the mill going at its present 100-ton per day rate for about 1½ years.

Teck-Hughes Report

SOME financial news organs are critical of the manner in which the Teck-Hughes report was handled. It is difficult to see any basis for such criticism. Dr. David Forbes, president, has, for the past year or so, been refreshingly candid in the recently instituted quarterly reports. The fact that drilling below the 50th level to a depth of 6,650 ft. failed to disclose commercial ore, should not come as a surprise to those who have been following the official information regarding this property.

It was as a result of deep development that, in Sept. 1934, the mill tonnage was cut, and the dividend reduced. Even at that time, the president stated that the limit of depth for profitable ore would probably be reached some time within three years.

Fortunately, Teck has apparently picked up a bargain in the Lamaque subsidiary.

* * *

Red Lake Gold Shore

THE stock of this company was given a sharp move last week, as the result of reports of high-grade finds on the 500 stope and the 300 drift.

Lacking details as to the nature of the samples, it is difficult to gauge the true significance of the nine oz. per ton assay reported from the 500 stope. However, since previous work indicated the lower levels of the mine were not as high grade as the upper levels, the high assay may alter this view.

On the 300 drift, grab sample which is reported by officials to have assayed one ounce per ton, appears to open up new possibilities of locating further ore bodies along the shearing now being explored, or on other shear zones which have not as yet been explored.

* * *

Anglo-Huronian Expands

FROM the remarks of André Dorfman, president, at the annual meeting of Anglo-Huronian Ltd., it is apparent this holding and financing company is experiencing a year of considerably broader activity.

Last year, Mr. Dorfman made it plain that Anglo-Huronian was extremely anxious to locate a gold producer of its own, rather than concentrate on the straight investment end of its business. The company now has a sizable interest in such properties as Lamaque, Sigma, Omega, (through Castle Trethewey) and in McWatters. The company is also interested in developing a property in the Red Lake district. While nothing official has been said, it is reported that this may be the Cochenour Willans property.

Not the least significant of Mr. Dorfman's remarks concerned the Vipond operation at Porcupine, which has for years been regarded as more or less, of a salvage proposition. Mr. Dorfman revealed that new information acquired on the whole camp had altered the picture, and made important a great deal of Vipond's property as yet untouched. The plant at Vipond is too small to carry out development below the 1,450-ft. level, and it is possible the company will purchase new equipment in order to give another chance to this veteran producer.

* * *

Inco's Dividend Mounts

INTERNATIONAL NICKEL CO. OF CANADA has declared a quarterly dividend on the common stock of 40 cents, payable Dec. 31, to shareholders of record Dec. 1.

These dividends have grown sharply this year, the latest one making the third successive quarterly increase. On Mar. 31, the quarterly payment was 25 cents per share. The dividend has increased five cents per quarter with each payment since.

This brings total dividends for International Nickel this year to $1.30 per share, as compared with 75 cents in 1935, and 50 cents in 1934. Thus some tangible justification for the rapid rise in the stock is given.

* * *

Oil Feels Better

TYPICAL of how quickly the statistical position of any product can change is the case of oil. It was in the spring of 1933, following the quick development of the East Texas pool, that the price of crude oil fell sharply and sold, for a few days, as low as 10 cents a barrel. Crude oil in storage in the United States accumulated and in 1929 had reached the peak figure of about 435 million barrels. This accumulated surplus was disastrous to prices, and in the following years the oil picture appeared one of almost hopeless chaos.

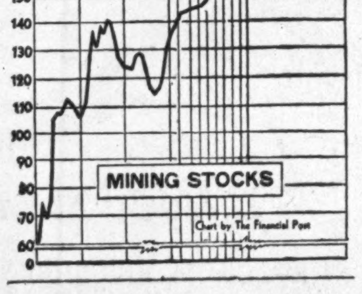
Recently, however, inroads have been made into this surplus, and a week or so ago the United States Bureau of Mines reported stocks of crude oil in storage at the comparatively low figure of about 290 million barrels, the lowest surplus since 1921. Price meanwhile has risen comfortably to $1.15 per barrel. Consumption has also risen.

The oil picture has improved considerably and in a remarkably short space of time. Turner Valley Royalties strike has given rise to renewed hopes of locating a major crude field in the West. It would be hard to find a more suitable time for the accomplishment of such a hope.

* * *

Index to Mining Stocks

WITH the exception of a few specialties, prices on the mining market were generally softer during the past week. The index for 23 mining stocks lcst a fraction at 158.7 for the week of Oct. 29, as compared with 159.4 for the week of Oct. 22. The comparative index for last year was 119.1.



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Bulk Sampling

Bulk sampling is generally conceded to be the safest method of establishing average gold values, particularly on a property where large tonnage operations are indicated.

Empress Consolidated Gold Mines are at present installing a 60 ton bulk sampling mill to obtain a definite check on the extensively indicated ore-zone.

This step was deemed advisable following surface work and diamond drilling which disclosed better than commercial values over great width and length. Detailed information upon request.

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Int. Metal Past Peak

As reported initially in The Financial Post four weeks ago, International Metal Industries has had earnings in its most active months this year sufficient to cover preferred dividend requirements. Since the latter months of the year are seasonally quiet, however, it is believed in well-informed sources close to the company that the report for the full year may not show net profits equal to preferred dividend requirements.

Last year the company showed a net loss of $606,530. The annual dividend requirements on the 45,206 preferred shares are approximately $271,000. Consequently, even if half the requirements were earned, it would represent a swing from losses to profits of close to $750,000.

Arrears of dividends on the preferred will total $27.75 a share at the end of this year, representing some $1¼ million. In 1929 the company showed earnings of over $1-1/3 million available for dividends, amounting to $29.58 a share on the present preference capital. Without consideration of preferred arrears, this would be at a rate of $4.47 a share on the present common.

Dorval Siscoe Stock Listed

Company Is Drilling Property West of Siscoe Gold in Quebec

Stock of Dorval-Siscoe Gold Mines has been listed on the Toronto Stock Exchange, and trading started Nov. 4.

Properties of Dorval-Siscoe comprise 46 claims in Varsan Twp., Quebec. More than 12,000 ft. of drilling has been done since the incorporation of the company with an Ontario charter in May, 1933. A contract has recently been let for an additional 10,000 ft. Drilling some 7,500 ft. north and west of the east boundary of the adjoining Siscoe Gold Mines has indicated extension of the latter's K zone. If further drilling confirms this extension, shaft sinking will be started. The property is equipped with a mining plant capable of sinking to a depth of 2,500 ft.

The company has an authorized capitalization of four million shares $1 par value of which 2,660,148 were issued at the end of October. Of the issued stock, 1,525,000 shares were issued for properties, 9,240 as commission on sale of stock, and 1,125,908 were sold for cash, netting the treasury $163,578.

Subject to release at the consent of the Toronto Stock Exchange and the Ontario Securities Commission, 1,500,000 shares are held in pool.

An option has been granted to Que-On Mines covering a total of 1,339,852 shares in blocks of 84,710 shares each at 23.61 cents per share on the 15th of November, December, January and February; 1,012 shares on Mar. 15, 1937, and one million shares at 58 cents by July 15, 1938.

In a balance sheet as at Aug. 31, current assets, consisting mainly of cash, are shown at $48,653 against current liabilities of $543, being accounts payable.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—W. G. Ashdown and Jacob Hold, the latter engineer for Ashdown Gold Mines Syndicate, are inspecting the property which lies at Cliff Lake, just north of Central Manitoba Mines Limited. Plans are being made to commence a shaft on what is known as the O.K. No. 5 claim. Sampling of other veins is proceeding.

* * *

Green Creek to Drill

Green Creek Gold Mines plans to start diamond drilling on its property, formerly known as the Ginger group and adjacent to Gunnar Gold property on the west side of the latter. Channel sampling has been done on the property by A. E. Dowman with results running from 70 cents to $94.50. There are several apparently strong breaks on the property which are being investigated. The property is close to the power line to Gunnar and also to the government road. On the board are Kenneth Sutherland, Edward Head Jr., Malcolm Matheson, Ralph Jackson and Brian O'Day.

* * *

Mandalay Cuts Quartz

Diamond drilling on the Mandalay Gold Mines, has reached the stage where 2 holes have been completed and a third commenced. Lack of rainfall necessitated laying of 1,200 feet of pipe to secure water for drilling purposes and to this extent delayed operations.

The 2 holes completed intersected at 100 feet vertical depth 32 feet of shearing which contains many small stringers of quartz. This shear zone appears to be similar to that found on the Beresford Lake property to the south, and is important as drill holes in the proposed programme may intersect ore shoots. The drill hole now started is located to intersect a shear zone exposed by several trenches, which has every indication of being the zone in which Beresford Lake Mines are finding ore shoots.

Royalite Oil Declares Dividends of 75 Cents

Royalite Oil Co., Calgary, has declared a dividend of 50 cents a share with an extra payment of 25 cents a share, payable Dec. 1, to shareholders of record Nov. 13. This is the fifth semi-annual payment of 75 cents a share indicating stabilization of the rate at $1.50 a share annually, including 50 cents in "extras."

The company's earnings were $1.06 a share in 1935 compared with $1.18 a share in 1934, after liberal allowances for depreciation and depletion. The company's resources are ample to allow payments in excess of the reported net profits.

Earnings Up At Macassa; Grade Better

Six Months Statement Reflects Improvement Underground

9 CENTS SHARE

Marked improvement in grade of ore being fed the mill is reflected in the earnings statement of Macassa Mines for the six month period ended Sept. 30, 1936. Earnings per share for this period work out to about nine cents, as compared with six cents in the similar 1935 period. Recovery per ton has increased from $15.59 in 1935 to $17.73 in 1934.

The company reports drifting on the 3,000-ft. level has been 75% in ore, and conditions are improving as this drift continues west. Fast progress is being made in sinking the winze from the 3,000-ft. level to open three more levels. Stations have been cut at 3,125 and 3,250 ft. and the objective of 3,375 ft. will be reached before the end of November. At that time work on the new levels will begin.

Estimated Earnings
Six Months Ended Sept. 30

	1936 $	1935 $
Gross val. prod.	615,948	533,795
Add: Sundry rev.	9,053	6,691
Total income	625,001	540,486
Less: Devel., oper., gen. chgs. & admin.	249,229	271,578
Res. for taxes	39,544	24,445
Deprec. & explor. w/o	82,267	69,856
Est. net profit	253,961	174,607
Estimated Earns. per Sh.	$0.0948	$0.0664
Tons Milled	34,731	34,246
Recovery per Ton	$17.73	$15.59

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER.—Eighty men are working in three shifts at the Big Missouri, which Consolidated Mining & Smelting Co. is getting into shape. The men are engaged in road construction—one of the most spectacular jobs of its kind to be undertaken. Five-ton trucks are operating drilling machines, opening up the rock along the route, and night work goes on by the light of the trucks. No time was lost in restoring the cofferdam at Long Lake, which was washed out by heavy rains. Tunnels in connection with the Big Missouri hydro project are practically finished.

* * *

Meridian and Congress

Meridian shareholders engaged in a spirited meeting here, discussing plans for combining operations with Congress, Bridge River. The meeting was adjourned to Nov. 18 after considerable opposition to the deal had been voiced. Some favored retaining the mine property intact in the expectation that new financial interests would participate in development. The proposal was that for 250,000 Congress shares the Meridian would transfer $7,000 in material and supplies, $22,000 milling equipment, $1,200 other equipment and also pay $1,500 in cash toward expenses of removal of the equipment from Meridian ground. A. K. McLean, secretary of Meridian, said that the mine was out of ore and the company practically out of funds.

* * *

Syndicate for Harris Creek

A Vancouver syndicate headed by O. D. Frith, mining engineer, has acquired four leases from William V. Somerville and associates in the Harris Creek area and placer operations will be started shortly. The property is near Lumby in the Vernon district. An interesting strike was made there some time ago, and the discovery claims bonded by the James Armes interests, who are conducting sluicing operations there.

* * *

Phoenix Camp Reviving

The Phoenix camp is showing signs of life again as the price of copper reaches higher levels. W. E. McArthur is shipping 60 tons daily to the Greenwood concentrator, selected ore being shipped direct to the Tacoma, Wash., smelter.

* * *

Olalla Developing

Managing Director A. C. McDougall announces that new machinery is to be installed at the Olalla mine, midway between Penticton and Hedley. A development programme recommended by George Shepherd is being followed. The property is now under operation of Gold Valley Mines. A main drift tunnel has been driven 361 ft. on the Something Good vein and a persistent ore shoot of good stoping width has been developed.

* * *

Island Mountain Finishes Shaft

The 500-ft. shaft from the lake-level tunnel at Island Mountain (Newmont) Gold Mines, has been completed except for the sump, and crosscutting to the vein system is expected to be started soon.

* * *

Kelvin Shareholders Meet

Shareholders of Kelvin Gold Mines, Ltd., at their annual meeting, heard reports from the management and A. G. Larson, consulting engineer. Directors elected were W. Graham MacDonald, W. C. Parham, Inar Aston, William Savage, J. T. Underhill and C. H. Moody.

McIntyre Porcupine

Earnings of McIntyre Porcupine Mines Ltd. for the 3 months ended September 30 are ahead of the previous 3 months period and are also in excess of the rate maintained during the 6 months ended September 30, 1935.

Earnings per share for the 3 months ended September 30 this year were $1.22 per share bringing the total for the 6 months ended at the same date to $2.24 compared with $2.18 for the same 6 months period of 1935.

Comparative figures are:

Earnings Statement

	3 mos. ended Sept. 30 1936 $	6 mos. ended Sept. 30 1936 $	6 mos. ended Sept. 30 1935 $
Gross inc.	2,224,491	4,260,424	4,192,910
Less: Costs, incl. devel.	1,007,378	1,977,409	1,906,077
Taxes	164,261	347,543	378,107
Deprec.	73,449	146,052	163,150
Net inc.	979,403	1,789,420	1,740,576
Earns. per sh.	$1.22	$2.24	$2.18

News Concentrates

Admiral Cadillac Gold Mines—adjoining Thompson Cadillac in Quebec, reports that 4,270 ft. of trenching has been completed, and a new vein uncovered.

* * *

Algold Gold Mines—near Goudreau, Ont. reports that drifting at the 200-ft. level is currently under way and at last report the new ore body had been opened at the above horizon for a length of 20 ft. across a full width of 23 ft. Channel samples taken across five-foot sections of the vein are reported as showing gold values ranging from $2.80 to $14 while the latest drift face sampled gave $28.

* * *

Beattie Gold Mines — directors have authorized the erection of a plant for the roasting of Beattie primary concentrates prior to cyanidation. It is believed this addition will increase the present profit rate some 25%. The cost is estimated at $630,000.

* * *

East Malartic Mines—advises the Toronto Stock Exchange that an additional 26,500 shares have been taken up at 60 cents per share under underwriting and option agreement of Oct. 31, 1935. Balance of option comprises 94,754 shares at 60 cents and 250,000 at 80 cents.

* * *

Golden Gate Mining Co.—S. A. Pain, consulting engineer for this company states exploration and development at the Kirkland Lake property is being confined to the 350-ft. level with the object of establishing the downward extension of the known ore occurrences. Two machine drills are working in addition to diamond drilling from this level. It is reported work to date has established the length of the veins on the 200-ft. level.

* * *

International Mining Corp. — reports that directors have extended to Nov. 13 the time for deposit of warrants under the proposed plan of recapitalization.

* * *

Kirkland Premier Mines—shareholders have ratified plans for eventual distribution of the Kirkland Gold Rand shares which are the company's sole assets, on the basis of one share of Kirkland Gold Rand for each three shares of Kirkland Premier. The charter of Kirkland Premier is to be surrendered. No date has been set for surrender of charter as the Kirkland Gold Rand shares are still pooled.

* * *

Maritime Cadillac Gold Mines—recently formed to develop 16 claims in Cadillac twp., Que., has let a drilling contract, and will seek to prove at depth the various showings found on surface.

* * *

Mooshla Gold Mines—reports a shaft has reached an approximate depth of 275 ft. It is expected the shaft will be bottomed at 360 ft. within the next two weeks. On the second level the vein was cut 33 ft. from the shaft.

* * *

My Lamaque Gold Mines — No. 4 drill hole intersected a vein at a depth of 400 ft. showing a width of 15 ft., W. O'Rielly, mine manager, reports. At a greater depth another ore occurrence was cut and the drill passed through eight ft. with vein material still in evidence in the core.

Northern Canada Mining Corp.—in declaring a dividend of two cents per share payable Dec. 1 to shareholders of record Nov. 20, state that net assets as at Sept. 30 had increased to $2,053,203, based on market price for listed securities, and book values for other items. On the same basis, net assets at the beginning of 1935, were $1,257,270.

* * *

Proprietary Mines — have completed examining and sampling the old workings of the Harris Maxwell Mine at Larder Lake. Sampling indicated the old workings showed about one year's supply of ore of $11 grade with possibilities of increasing this through more exploration. The company intends to open up the mine and recover this ore. Developed to a depth of 500 ft. the mine is owned outright by Proprietary Mines and the company plans to operate it without outside assistance.

* * *

Rocanor Gold Mines—has staked 18 additional claims tying on to Central Patricia Gold Mines to the south. Drilling is under way at the company's main property in the Pickle Lake area.

* * *

St. Pierre Cadillac Gold Mines—has uncovered a vein in the northeast section of the property for a length of 150 ft. across a width of 10 ft. No assays are available yet.

* * *

Wood-Kirkland Gold Mines — shares of this company have been removed from the mining section of the Toronto Stock Exchange, the company having surrendered its charter. Shares of Wood-Kirkland are exchangeable into Kirkland Gold Belt Mines Ltd.

Gunnar in Advance Of Loan Payments

All But $50,000 Paid Off as Monthly Output Rises

Gunnar Gold Mines is rapidly getting its financial house in order. Ray T. Birks, K.C., has exercised his option for 20,000 shares, the balance of 130,000 shares having been cancelled by arrangement.

In part consideration for a loan of $250,000, Mr. Birks, in January, was given an option on 150,000 shares at $1 per share to Oct. 31, 1936.

Partly from proceeds of Mr. Birk's option, and partly from production, the company has now repaid, well in advance, a total of $200,000 on the loan, leaving $50,000 still unpaid. While this $50,000 is not due until Jan. 1, 1938, officials of Gunnar believe they will be able to pay it off in a month or so. The loan was obtained to finance the mill.

Since production on May 1, 1936, monthly output has steadily grown. Mint returns for the first five months of production are as follows:

Month:	Bullion recovery
May	$31,123
June	38,976
July	41,725
August	45,275
September	54,944

Cost of milling, mining and current developments to date have averaged about $5 per ton milled.

Mining Dividends

	Rate	Close Nov. 2	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.37	..
Bralorne	30c+15c	8.80	..
Buff. Ankerite	20c	10.50	1.9
Bulolo Gold	‡1.40	28.25	..
Cariboo	10c	1.75	5.7
Central Patricia	†4c	3.80	..
Coniagas	†12½c	3.25	..
Cons. Smelters	50c	70.25	..
Dome Mines	$2+$2	53.50	7.5*
Falconbridge	30c	11.75	2.5
Hollinger	65c+30c	13.50	7*
Howey Gold	2c	.68	..
Hudson Bay	50c	29.00	..
Island Mountain	†5c	1.30	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.60	62.75	2.5
Kerr Lake	5c	.60	..
Kirk. Lake	‡2c	.59½	..
Lake Shore	$4	55.25	7.2
Little L. Lac	30c	6.80	..
Macassa	15c	5.00	..
McIntyre	$2	41.00	4.9
McKenzie R. Lake	†3c	1.73	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	1.03	..
Nipissing	50c	2.40	..
Nor. Can. Mining	2c	.50	..
Noranda	‡$1.25	69.50	1.8
Pickle Crow	15c	6.25	..
Premier	12c+4c	3.05	5.2*
Pioneer, B. C.	80c	6.95	11.5
Reno	12c	1.24	9.7
San Antonio	14c	2.25	..
Sheep Creek	8c	.80	10
Siscoe	20c	4.40	4.5
So. Amer. Gold	20c	5.05	..
Sylvanite	20c	3.01	6.7
Teck-Hughes	40c+5c	5.15	8.7*
Toburn	8c	3.80	2.1
Ventures	2½c	2.85	..
Wright-Har.	40c+20c	7.60	7.9*
Ymir Yankee Girl	5c	.40	..

‡Interim. †Initial. *Yield includes bonus.

Ottawa Seeks Co-operation Of Provinces

Duplication of Taxation Is Subject for Meet on Dec. 9.

LOAN COUNCIL DEAD

From Our Own Correspondent

OTTAWA.—A round-table conference for the frank discussion of mutual problems is provided for governments of the nine provinces and the Dominion in the meeting of the newly formed National Finance Committee, called for Dec. 9.

Seven specific aims are set forth in a statement made by Hon. Charles A. Dunning, minister of finance. Behind and in a sense overshadowing these is the hope that these meetings of the National Finance Committee, called at fairly regular intervals, will lead to reasonably uniform practices and policies, and a higher degree of co-operation than now exists, on loan issues, conflicting taxation fields and other common problems.

The National Finance Committee has no connection with the National Loan Council, except that it was proposed by the minister of finance at the same gathering last December. The committee is a voluntary gathering of representatives of all provinces and the Dominion.

The loan council is for the time being a dead issue, and it is no secret at Ottawa that the authorities have very little hope that it can be revived.

Co-operation Planned

The committee meeting in December will have no particular bearing on the provincial debt structures, except that it is hoped to provide in future for more advantageous timing of loans and more thorough appraisal of the bond markets before government issues are offered.

Data is being prepared on duplicate taxation fields, and means of simplifying tax collections in each. With the present legislation in force, provinces have to go in some cases to very serious administrative expense to legalize the collection of taxes which, by means of an amendment to the B. N. A. Act, could be collected for a much smaller sum.

Though it is likely the meeting of provincial treasurers with Mr. Dunning will afford an opportunity of discussing Dominion contributions to provincial finances, it is not intended to allow this phase to exclude the more constructive matters. It is not to be a "hand-over" conference.

Western Finances Cause Concern

The four western provinces continue to cause the authorities here some concern. Except for Alberta, they have not been burdened with heavy maturing loans in recent months. However, their credit is still not sufficiently high to permit them to take advantage of the current favorable rates and thus reduce their annual interest burden. Now that the loan council issue is dead, there appears to be no machinery available by which the Dominion Government can assist the provinces when loans mature or new borrowing is necessary.

Mr. Dunning states that matters on the agenda for discussion are:

1. Methods of securing greater efficiency and economy in tax collection and administration.
2. Methods of reducing evils of multiple taxation, including possibilities of co-operation in tax administration.
3. Merits and incidents of particular types of taxes and methods of achieving more equitable, better balanced and more elastic tax systems.
4. Financial relationships between the Dominion and the provinces.
5. Problems involved in the raising of public funds by borrowing including the form and timing of public issues, the establishment and management of sinking funds, and the conditions in any investment market in which the Dominion or any province may have occasion to borrow.
6. Methods of public accounting and of presenting information concerning the public debt, revenues and expenditures, etc., with a view to securing greater clarity and uniformity.
7. Methods of collecting and publishing statistical information.

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OPTIONS

Homestead—Oct. 29 installment covering 50,000 shares at 50 cents per share under agreement April 9 has been met. Balance of option comprises 50,000 shares at 50 cents by Jan. 29, 100,000 at 75 cents by April 29 and 50,000 at $1 by July 29.

Hard Rock—Nov 1 installment covering 50,000 shares at 65 cents per share under agreement dated Feb. 18, has been met. Balance of option comprised 50,000 shares at 75 cents by Dec. 1 and 49,995 at 75 cents by Jan. 1.

Roche Long Lac — Oct. 27 installment covering 25,000 shares at 35 cents per share not having been met, agreement Oct. 6 has been terminated for default. Agreement covered 25,000 shares at 30 cents, 25,000 at 35 cents and 25,000 at 40 cents, only the 30 cent block was taken up.

Sladen Malartic — An additional 3,000 shares have been taken up at 55 cents per share under agreement dated Nov. 5, 1935. Balance of option comprises 166,000 at 55 cents and 300,000 at 65 cents, the latter block being stock donated for treasury purposes.

Powell Rouyn—Balance of Oct. 15 installment as extended to Oct. 31, comprising 16,250 shares at 80 cents per share under agreement Feb. 22 has been met. Balance of option comprises 112,500 shares at 80 cents, 100,000 at $1, 100,000 at $1.25, 100,000 at $1.75 and 165,000 at $2 with payments provided at monthly intervals.

Sladen Malartic Mines Releases Option Shares

From Our Own Correspondent

MONTREAL. — Sladen Malartic Mines notified the Montreal Curb Market that 3,000 additional shares at 55 cents a share have been taken up under the terms of the option agreement, leaving a balance of 166,000 shares in the 55-cent block. A total of 1,811,016 shares are now outstanding in the hands of the public, exclusive of escrowed stock.

Quebec Calls Tenders On Chibougamau Road

MONTREAL.—The Quebec Government is reported to have called for tenders covering construction of a 138-mile winter highway from St. Felicien into the Chibougamau mining area. Cost of the project must not exceed $150,000 and three companies are reported to have submitted tenders on that basis.

The new road will bring the Chibougamau camp within 475 miles of transport distance from Montreal.

It is estimated that upwards of $500,000 worth of machinery and supplies will be taken into the Chibougamau area through this road during the winter.

Port Royal Pulp Guarantee Liquidated by Financing

MONTREAL. — Province of New Brunswick and the Municipality of the City and County of Saint John will be relieved of their liability of a joint guarantee of $120,000 to the Port Royal Pulp and Paper Co., when the new first mortgage bond issue is sold.

When the present interests secured control of the company it was necessary to raise new capital and the three governmental bodies guaranteed borrowings to the extent of $120,000. In all the company borrowed $200,000 which will be retired by the present issue of $350,000 of first mortgage bonds. The balance will be used to enlarge the capacity of the plant in order to take care of increased sales of rayon pulp.

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Jiu Jitsu on the Grand River

Governments See Light for Reservoirs to Hold Back Spring Floods and Release Waters for Summer Needs of 300,000 People

Waters destined to flow down the Grand River valley in years to come will find themselves strictly under control if favorable talk at Queen's Park and Ottawa ripens into action.

Representatives of the Grand River Conservation Commission and of the various boards of trades in the cities and towns along the banks of the 180-mile Ontario river believe that at last a helping hand will soon be given them. The matter is under active consideration by the Ontario government and Ottawa is prepared to back the project. There is thus high hope that the ruinous floods of spring and the drying river beds of summer may in a few years be things of the past and all for the expenditure of less than $3 millions, according to preliminary estimates.

Goes on Rampage

There are always floods in the spring along the Grand River and protective works such as river walls have been erected along its banks by various municipalities. But 5 times in a century the river descends in a raging torrent which rises over river walls and every obstruction so far provided by man. No one can prophesy just what spring this destructive flood may come but come it does and all the adults among the 300,000 people inhabiting this fertile valley know that something should be done about it.

Conditions have been getting worse since the Grand River Valley was settled. Once this whole area was covered either by forest growth which acted as a natural cover for snow or by huge swamps which were control works established by nature. Now scarcely 5% of the 2,600 square miles making up the area of this valley is covered by trees and it is too valuable except in the upper reaches for reforestation to be considered a remedy. Growing of more trees for scenic value will, of course, have some value in holding back melting of snows in the spring.

Take Hold of River

rio, which goes on a rampage every

It is proposed to hold back in huge reservoirs at Waldemar, Hollen, Conestoga No. 2 and Elora a large part of the flood waters of the Grand River and its tributaries—the Nith, the Speed and the Conestoga—and let this down to refresh the valley in the hot months of summer.

The works will be conducted in stages. Each stage as completed will have an ameliorating effect on conditions. Preliminary studies indicate a progressive effect as follows on curbing of floods and increasing low flows, judging by the 1929 flood at Galt:

Remedying Flood Flows and Low Water

Location Remedial Works	Reduction Flood Level (ft.)	Minimum Low Flow (cu. ft. per sec.)	Capital Cost $
1st stage:			
Luther Waldemar	2.5	200	673,000
2nd stage:			
Hollen	1.5	20	686,000
3rd stage:			
Conestoga No. 2	1.0	70	791,000
4th stage:			
Elora	0.6	60	805,000
Total	5.6	350	2,955,000

Note:—Study at Brantford shows reduction of flood level 3.6 ft. and provision of minimum regulated flow of 500 cubic feet per second. Low flow at Galt has been as low as 26 c.f.s. and that is not enough for efficient sewage disposal. The Grand River is absolutely essential to dispose of sewage effluents and trade wastes along its entire course.

The first stage is the most important step for flood prevention. The second stage would allow the low flows of summer to be increased at Brantford and Galt and the flood flows would be correspondingly decreased. Stages Nos. 2 and 3 are meant to look after needs of increasing population and will serve from 2 to 3 times as many people as are now in the valley.

In the first week of October the Grand River Conservation Commission asked the Ontario government for early action. The Commission is headed by William Philip, Galt, as president and F. P. Adams of Brantford as secretary. The other commissioners are Marcel Pequegnat, Kitchener; E. T. Sterne, Brantford; Robert Kerr, Fergus; and Geo. Thompson, Caledonia. The commission was supported in its plea by all the larger municipalities and the suggestion at the conference was that 50% of the cost be accepted by the Federal government and the remaining 50% be divided equally between the Ontario government and the municipalities benefitted.

The acting premier, H. C. Nixon, at that meeting suggested a committee consisting of members from the cabinet, the mayors and reeves of the municipalities interested and representatives from the commission be appointed to go into the question of division of costs. That committee is being formed and the question will be brought up again very shortly.

Commission Favorable

Likelihood of action is increased by the fact that the National Employment Commission at Ottawa agrees these works would naturally fall into any programme of work undertaken for relief of the unemployed. In addition, they consider it to be work of a necessary character and intended to conserve the natural resources of the country. They ask, however, that any request for further action should be made through the medium of the Ontario provincial government. So the hour and character of decision remains with Premier Hepburn.

Back in 1932 a report on Grand River drainage was made to the Department of Lands & Forests by T. H. Hogg of the Hydro Electric Power Commission of Ontario and L. V. Rorke of the department. The flow of the river from its source in the north, about 30 miles south of Georgian Bay in the neighborhood of Dundalk, about 1,700 ft. above sea level, was checked at every important point in its course of 180 miles to the mouth at Port Maitland on Lake Erie where it is 572 ft. above sea level.

The drainage basin of the Grand River is some 2,600 square miles in area and occupies practically the whole of the counties of Waterloo, Wellington and Brant with parts of Grey, Dufferin, Perth, Halton, Oxford, Wentworth, Norfolk, and Haldimand. One thousand manufacturing plants are to be found at various points along the Grand River and it has thriving cities, towns and villages like Fergus, Elora, Conestoga, Bridgeport, Waterloo, Kitchener, Breslau, Freeport, Hespeler, Preston, Laird, Galt, Paris, Brantford, Canning, Caledonia, Cayuga, Dunnville and Port Maitland.

Plan Regulated Flow

The studies in 1932 covered municipal water supply, sewage disposal, flood control, power development facilities and afforestation.

The final conclusion of the 100-page report submitted by these men and by J. Mackintosh, who was in immediate charge of collecting comprehensive data on water flow, drainage conditions, geological situation and need of population was that 40,000 acres feet of storage, properly administered, would ensure practically all year the minimum flows required.

That amount of storage would reduce the crest of the majority of floods to comparatively low levels and confine the infrequent higher floods to the levels of present river walls at Galt and the levees at Brantford unless these flood crests are abnormally high due to bad ice jams. It is expected, however, that the forming of jams would be somewhat prevented by the 4 proposed regulating stations.

It was suggested that 20,000 acres feet of storage space at Elora and Waldemar and a corresponding amount at 2 sites on the Conestoga River would be necessary for the purpose of supplying this 40,000 acres feet of storage.

As a further margin of safety it was proposed that a further 10,000 acres feet of storage could be established as an artificial lake in the Luther marsh region.

Because this is an exceedingly well-settled and populous district afforestation would not be feasible in most parts. It is economically advisable to reforest certain areas in the upper parts of the Grand River watershed not so suitable for agricultural purposes. This would have a beneficial but limited effect on the flow conditions of the Grand River. The same remarks could be made with regard to tree planting in sections adjacent to the road and on the slopes to the stream. Scenic and tourist attractions would thus be increased.

It was suggested that the section of the Conestoga River containing the regulating reservoir be taken over as a provincial park and administered for that purpose.

At small additional charge the Luther marsh project would permit the establishment of a bird sanctuary of 20,000 acres. The cost of all this would be $3 millions with annual charges of about $284,000.

The total storage estimated as required is based on increasing the low flow to amount sufficient to meet the water and sewage disposal requirements of a population 3 times that of the district at present.

Fine Farming Section

The Grand River valley is a very fine portion of Ontario. First settlements followed the natural water highway. All communities centred around suitable locations and included saw mills, knitting, weaving and flour mills operated by water. When the farmers settled nearby they had to make their farms out of ridges and uplands covered by various types of hardwood, slopes and flats covered with pine and hemlock and beside large stretches of marsh and nearmarsh with cedar and hemlock. Even in 1865 deforestation had proceded so far that periodic floods were reported. As population grew larger and important communities were established, some attempt was made to provide against the floods by bridges, river walls and other works.

In early history towns on the river secured their water supply from it. As the stream later became polluted due to the depositing of farm, domestic and industrial waste and sewage, dependence grew on the supply from wells. The dependence on wells for water supply is, however, reaching its economic limit in some cases. The city of Brantford has had to go back to the river as a permanent source of water supply and a few years ago put into service a modern and well equipped pumping and filtration station.

The principal tributaries of the Grand River, the Nith, Speed and Conestoga rivers, serve an area of about 1,000 square miles.

Provides Water Supply

Increasing reliance may be placed on these rivers for water supply. At present Paris gets its supply from deep springs issuing from a gravelly-clay bank overlooking the Nith River. When more is needed it is pumped from the Nith and is allowed to filter through the gravelly-clay overburden until it is trapped by the natural deep seepage channels. Fergus get its water supply from deep wells next the river. The river water percolates through fossiliferous limestone beds into the wells. To safeguard these wells the adjoining river must not be polluted.

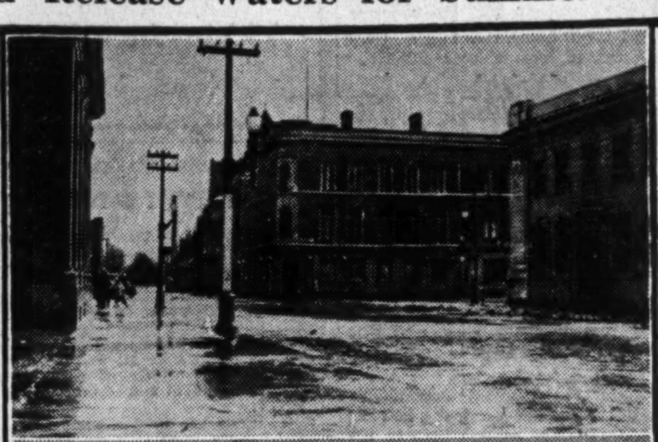
Galt also depends on deep wells adjoining the river. Guelph gets its supply from springs coming out of a gravel bank adjoining the Eramosa River, a branch of the Speed tributary.

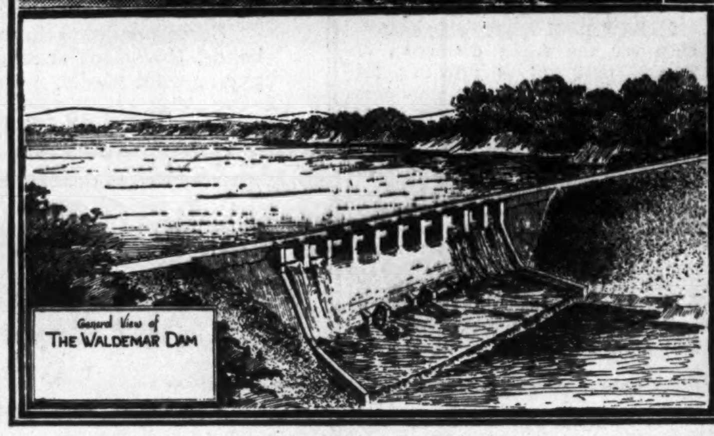
Brantford pumps river water into gravel filled trenches. The filtered water is drawn by sub-surface drains to a filtered water basin connected with the city mains. Kitchener and Waterloo depend entirely on well water.

Photographs accompanying this article show that in the last summer season the Grand River was practically dry in parts of its course. In the vicinity of Galt the river had become so highly polluted last summer because of the drought conditions that it was an offense to the residents living on its banks. At Paris the river bed is dry most of the time in summer.

Farmers' wells are becoming depleted and water is being hauled in by tank wagons to water stock and for domestic purposes. The water levels in municipal wells are lower and the securing of adequate supplies is a real problem.

If the proposed plan is adopted reservoirs in the upper regions of the Grand River and its tributaries will conserve the flood water. This will reduce spring flood crests along the valley. The reservoir supply will give water to the inhabitants of the watershed during periods of low flow. It will maintain a flow of water in the river enough to dilute sewage effluents in the larger municipalities. That will prevent them from endangering the water supply of down stream users. It will ensure that the river water is of a quality that can be purified by modern methods of filtration.





FLOOD CONTROL FOR GRAND TAKES SHAPE

The 180-mile Grand River in Ontario, which goes on a rampage every spring and then dries up in the summer, will be harnessed if the Grand River Conservation Commission has its way. It is soliciting the support of the Federal and Ontario Governments in a $3 millions project for the construction of a series of dams, indicated on the map shown above as follows: (1) Waldemar; (2) at Hollen near Drayton and Conestoga; and (3) Elora.

Flood and summer pictures of the Grand are also shown. Upper left is Main and Water Streets at Galt, Ont., under water. The two centre pictures show the Grand at Galt this summer with a flow of only 26 cubic feet per second and the river trickling through a Dufferin county farm. The lower pictures show the proposed Waldemar dam and the river roaring through Fergus during a spring break-up.

Insurance Exchange Corp. Gets Lower Assessment

MONTREAL. — Insurance Exchange Corp., Montreal, has been successful in securing a reduction of $160,909 in the valuation of its property. The company appealed the former assessment of $1.7 million and as a result of the court ruling, valuation of the property is now placed at $1,539,091 for assessment purposes.

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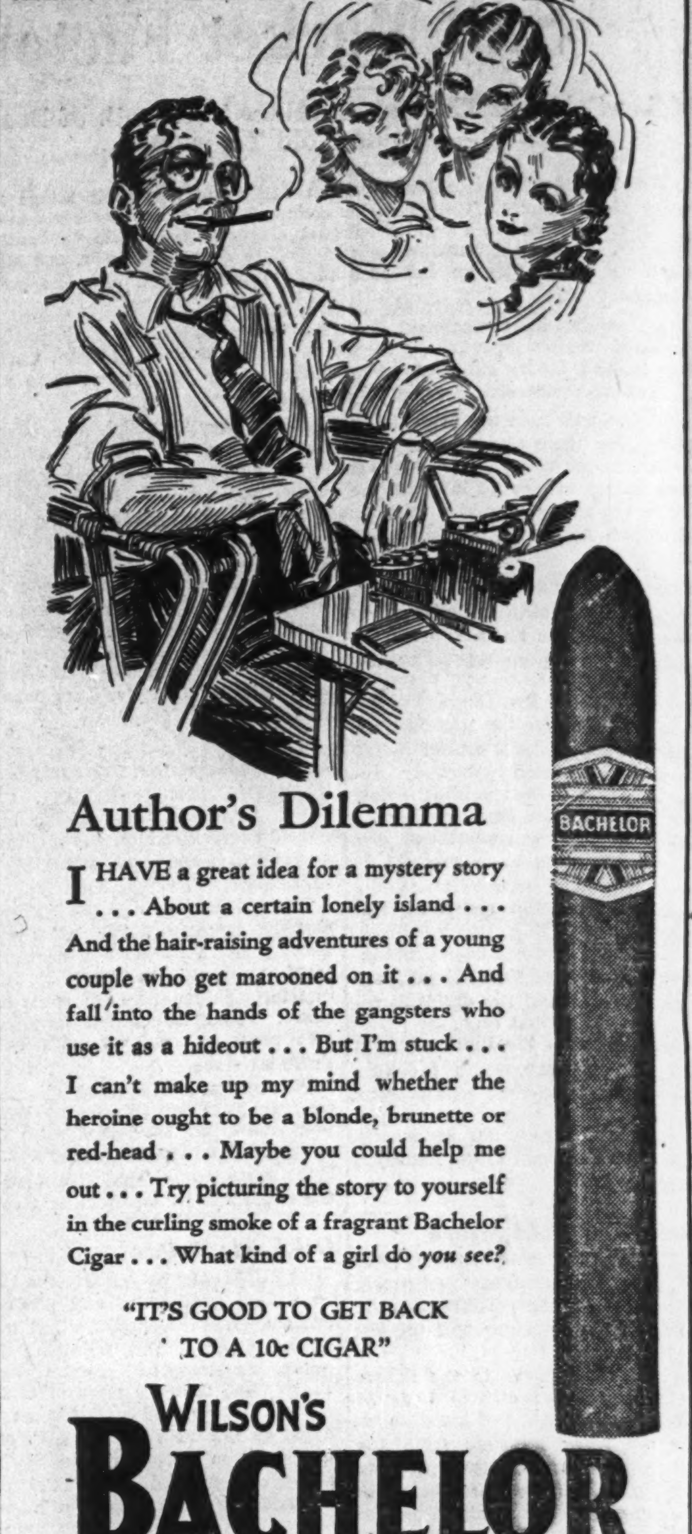

Author's Dilemma

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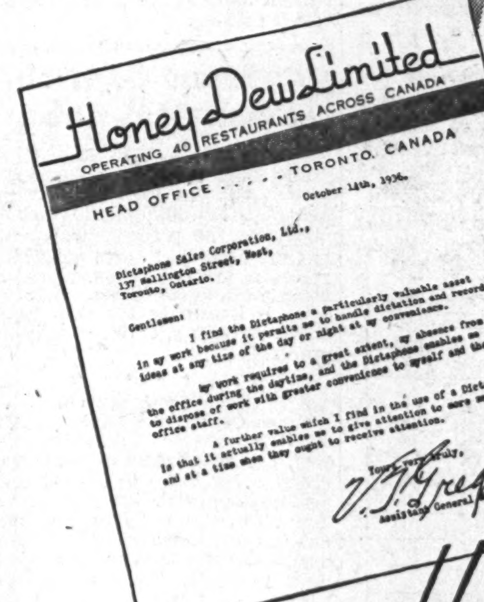

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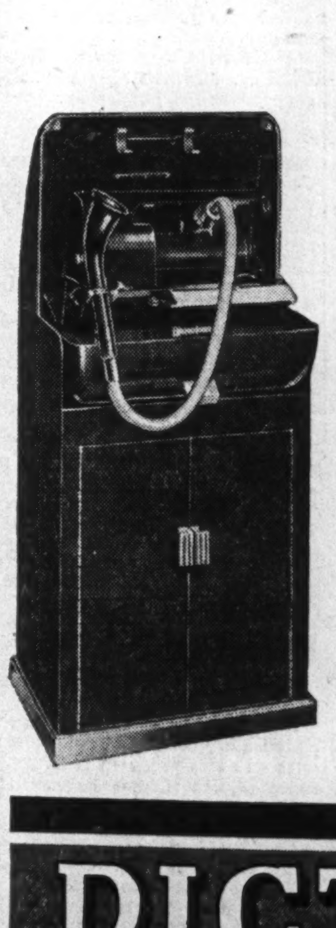

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